



**Breede River
Winelands
Municipality**

Annual Report 2007/2008



People at the center
of development



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Foreword by the Executive Mayor

Currently we are faced with challenges of poverty, turmoil in global markets and the challenge of providing sustainable and affordable services, which are accessible to all. Although this might seem daunting, we need to remind ourselves, that we are better prepared to address these issues than before.

In times of uncertainty, it is vital to stay focused on our long term growth. These circumstances require us to be more proactive, to work harder and to cooperate with each other.

We aim to raise our economic growth by 8% through an integrated budget, programmes and plans.

We have much to be proud of. We were runners up in the Cleanest Town competition and in the Vuna Awards for Municipal Performance Excellence. We thank every resident and employee for contributing to this success. I am honoured to have worked with such a committed management team and council, who give real meaning to our slogan "People at the centre of Development".

It affirms once again that our spending, policies and programs must reflect our core value of equality and freedom, This is the cornerstone for a new society, built on social solidarity, which acknowledges that our futures are interwoven.

As a municipality we must adhere to what is set out in the constitutional mandate. The council has therefore set itself strategic objectives in the following areas:

- Housing
- Infrastructure development
- Local economic development
- Community sustainability
- Transformation and development of administration
- Improvement of communication

It is my vision that the community of Breede River Winelands will come together and coexist to make our shared aspiration of a prosperous society become a reality.

John Ngonyama
Executive Mayor



Mr SA Mokweni

Introduction by the Municipal Manager

During the 2007/08 financial year the Breede River Winelands Municipality had yet another outstanding year with great achievements and successes. High standards were set with various awards and the quality of service delivery.

The Breede River Winelands Municipality was awarded 2nd place in the provincial stage of the Vuna Awards. The Vuna Awards reward municipal performance excellence and identify those municipalities that are setting new standards and delivering excellent service to their communities.

The Municipality was also runner up in the Cleanest Town Competition hosted by the Department Environmental Affairs and Development Planning. The Department evaluated the Breede River Winelands Municipality as the 2nd Cleanest Town out of the 24 municipalities in the Western Cape that participated. The Municipality was awarded R100 000 prize money that was used to promote cleaning in the municipal area.

To improve service delivery and ensuring maximum integration of administration the Municipality underwent some changes due to realignment that took full effect on 1 July 2007.

Previously the Top Structure consisted of the Municipal Manager, a Deputy Municipal Manager and three Assistant Municipal Managers for the Directorates of Infrastructure Development, Community Services and Corporate Service. Now the Municipality has moved to a more modern and effective structure with five Directors instead of three Assistant Municipal Managers. This Executive Management Team (EMT) was also introduced to provide strategic leadership to the organisation.

With service delivery as the prime focus of the Municipality an Operational Management Team (OMT) has also been established to ensure that there are synchronicity to galvanise service delivery strategies.

The new 24 hour Fire Facility is only one of the ways in which better service was offered to the community. This facility with a single telephone number for fire services and other emergency services in the entire Breede River/Winelands Municipal area was officially opened on 30 November 2007 by the Executive Mayor, Cllr SJ Ngonyama. On 7 January 2008 the Municipality extended this service by combining the emergency number with the Municipality's Customer Care Service. Hence, the Municipality now has to its disposal a 24 hour, seven days a week, call-answering facility in case of emergency and for customer queries regarding municipal services.

Financially the Municipality is stable and performed well. Council achieved a payment ratio of 94.77 % for service delivery, compared to the previous year's 95%. Approximately 33% of the Operational Budget was spent on salaries, which is well within the requirement of National Treasury. The Municipality spent 99.58% of our own Capital Budget and Council assisted a total of 4 713 indigent households, ensuring free basic services for the poor.

Special attention was given to training in respect of the Customer Care Management (CCM) component. This forms part of the Mun-Admin system that deals with complaints in a coordinated and professional manner and to promote the image of the Breede River/Winelands Municipality as well as to create a satisfied client basis.

The Integrated Development Plan (IDP) is a key document in the life of the community. It seeks to guide both the residents and staff and to clearly set out the strategic direction of the council and how it will allocate its limited resources. The IDP will guide us into effective planning and implementation in such a way as to make the Breede River Winelands Municipality a unified and prosperous community.

We are proud of our achievement in 2007/08 and will continue to go from strength to strength with people at the centre of development.

- Mr SA Mokweni



Overview of the Towns of the Breede River / Winelands Municipality

Annual Report **CHAPTER 1**

People at the center
of development



Vision

Together we strive for a unified, prosperous community where people are at the centre of development.

Mission

Council will achieve its vision to:

- establish a good and transparent Local Government
- provide equal, sustainable and affordable services to all
- enhance cooperation between all relevant stakeholders through community participation processes
- established and improve social and economic development for all
- enhance sustainable environmental development

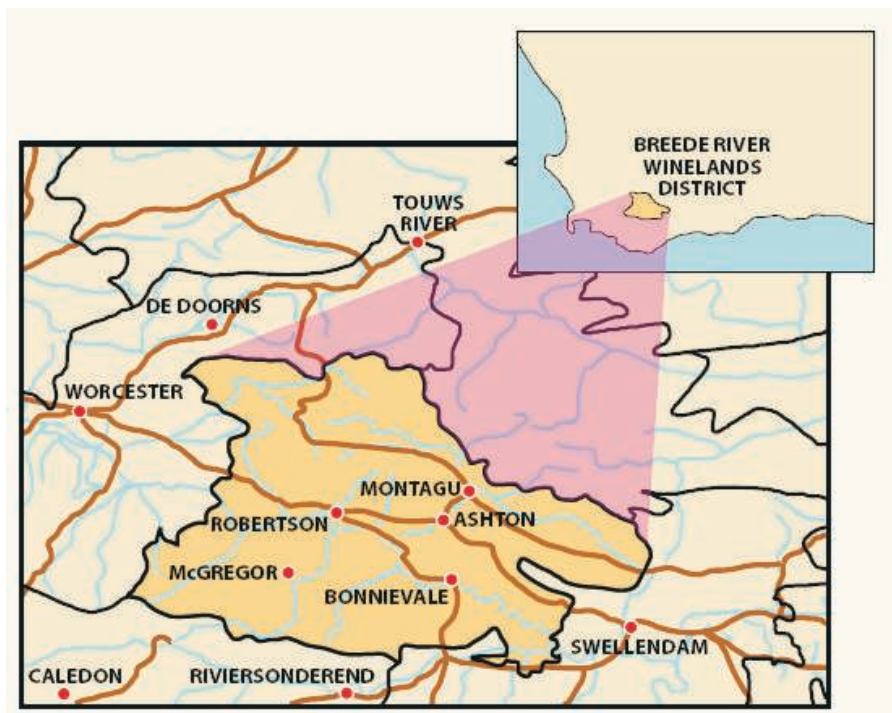
The Value System

The eight *Batho Pele* Principles include:

- **Consultation** – the public should be consulted about the level and quality of public services they receive and, where possible, should be given a choice about the services offered.
- **Service Standards** – the public should be informed what level and quality of public service they will receive, so that they are aware of what they can expect.
- **Courtesy** – the public should always be treated with courtesy and consideration.
- **Access** – all members of the public should have equal access to services they are entitled to.
- **Information** – the public should have accurate information about the services they are entitled to receive.
- **Openness and Transparency** – the public should be told how administrations are run, how much they cost and who is in charge.
- **Redress** – if the promised service is not delivered the public should be offered an apology, a full explanation, and a speedy and effective remedy; when complaints are made, the public should receive a sympathetic and positive response.
- **Value for money** – public services should be provided economically and efficiently, in order to give the public the best possible value for money.

Overview of the Towns of the Breede River / Winelands Municipality

"The municipal area consist of 3 334 52 km² which includes the towns, Ashton, Bonnievale, McGregor, Montagu, Robertson ad surrounding rural areas"



McGregor

The village of McGregor was laid out in 1861, the population then totaling 50. In 1894 a village management board was established and in 1907 the village became a municipality. McGregor was originally known as Lady Grey, but the name was changed in 1905, to avoid confusion with Lady Grey near Aliwal North. It was renamed in honour of the Rev Andrew McGregor, who had been the Dutch Reformed Church minister of the Robertson District for forty years.

Ashton

With the completion of the railway line from Worcester to the coastal regions in 1887, the trading post, Roodewal, became a railway station, and shortly afterwards was renamed Ashton, in honour of Job Ashton, director and railway engineer of the New Cape Central Railways (Ltd). For several years the settlement consisted of only a railway station, warehouse, hotel, post office, butchery, a little school, one shop and a few houses. During 1939 and 1940 extraordinary growth took place with the opening of the Langeberg Co-operative, resulting in the farmland being divided into plots. Development received a further boost with the establishment of a second canning factory in 1949. In 1956 Ashton gained municipal status.



Bonnievale

In 1902 a railway halt was constructed between Robertson and Swellendam and was called 'Vale'. In 1917 the halt received full status as a railway station and was then called Bonnievale. In 1922 a village management board was elected. The town received full municipal status in April 1953.

Montagu

Montagu, once known as 'Agter Cogman's Kloof', lies between the Keisie and Klngna Rivers. The only exit to the west was through Cogman's Kloof, and strong teams of horses or oxen were needed for the journey. John Montagu, the British Secretary of the Cape Colony based in Cape Town in the 1850s, envisaged the potential of the Cape Colony, but realised that it could never develop without efficient transport and communications. Montagu was aided by pioneering road engineers to create passes through the mountain barriers. Through his efforts, the country could be developed agriculturally and he became a popular figure. In tribute to him the village was officially named Montagu in 1851 and he traveled there to 'baptize' the town.

It is not known when the springs were discovered, but early trekkers followed the course of rivers and some camped in the vicinity of present-day Montagu. They drank the clear, strangely-flavoured water, found it wonderfully refreshing and traced its course through the kloof to where they discovered the hot springs. News of the healing waters spread quickly and many visitors began to visit the area. The springs form part of the now popular Montagu Baths.

Robertson

Robertson was founded in 1853 and named after Dr Robertson, then pastor at Swellendam.

Robertson is one of the largest wine-producing regions in the Republic: its most famous product is dry white table wine. At the local KWV distillery there are 128 stills, which must make it the largest in the world. Another important industry is the factory of Food and Nutritional Products (Pty) Ltd., which manufactures condensed milk, among other products.

Because of the area's relatively low rainfall, there is intensive irrigation. About 25 km of irrigation canals, leading from the Breede River, carry water that is pumped by electricity as far as Montagu. Robertson is South Africa's first irrigation district.

Although the rural area is in extent much larger than the urban areas, the majority of the population reside in urban areas. As the agriculture sector is currently experiencing economic difficulties, it is envisaged that more people will move to urban areas to seek employment. The spatial implication of this is that the residential need in the towns will increase with subsequent pressure on resources such as water and energy.

Land needs to be identified for small-scale farmers. The area is characterised by low rainfall and therefore water is a fairly scarce commodity. Currently, rural and urban uses compete for this commodity.

The Keisie is currently a major fruit-producing valley. However, the rural community is amongst the poorest in the region. Another challenge for the valley is sufficient water supplies to support any further development. Because the economy of the area depends largely on agriculture people are subject to seasonal income. Living standards are lowered to a large extent during the off-season. Problems within agriculture, such as the closure of production plants and factories, as well as surpluses in the wine industry, contribute to the poverty situation. The region's potential for tourism is well known and recent studies have highlighted various options for development in this regard. It forms part of the well-known Route 62.

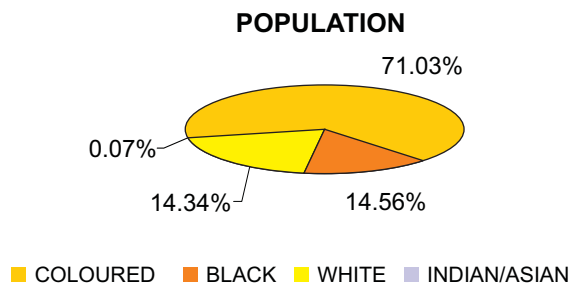


1.2 Demographic Profile

Information on individuals

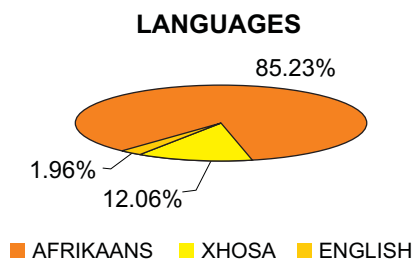
Population (2001 Census survey):

The demographic profile of the Breede River/Winelands Municipal Area:



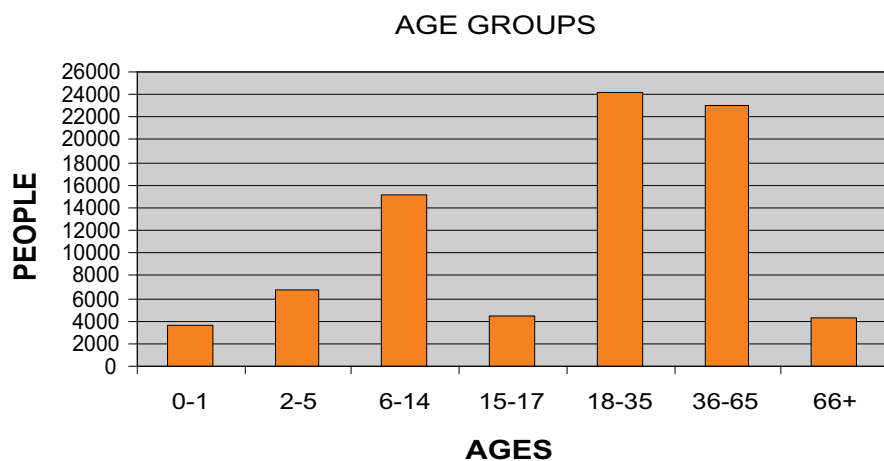
Ethnic Groups

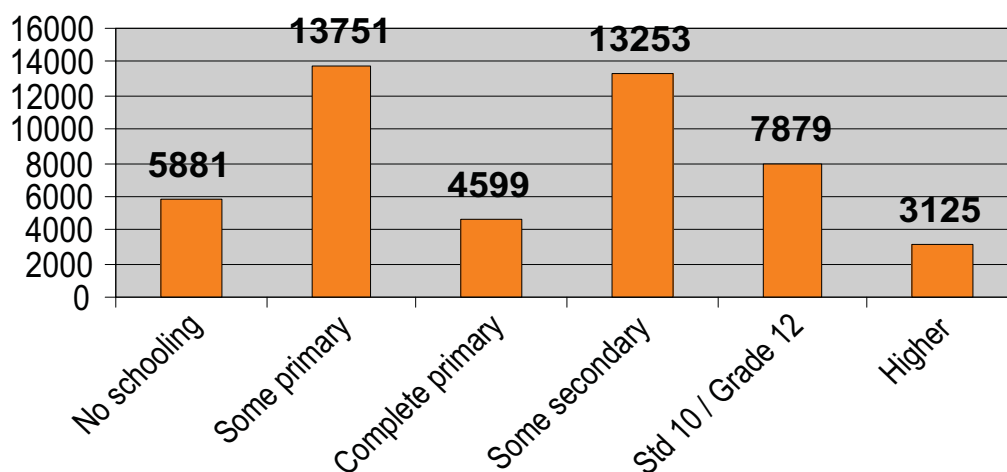
Coloured	57 730
Black	11 829
White	11 655
Indian / Asian	57
Total	81 271



Languages

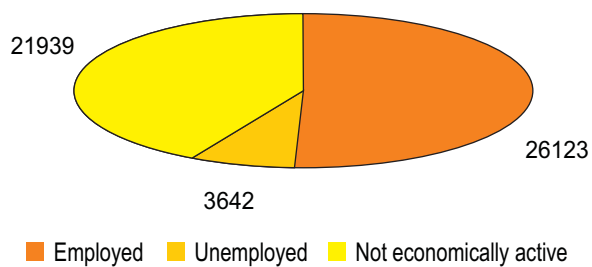
Afrikaans	85,23%
Xhosa	12,06%
English	1,96%





No schooling	Some primary	Complete primary	Some secondary	Std 10 / Grade 12	Higher
5881	13751	4599	13253	7879	3125

Labour Market Status: Age 15-65



Labour market status of those aged 15-65 years	Employed	Unemployed	Not economically active
	26123	3642	21939



Service Delivery Highlights

Annual Report **CHAPTER 2**

People at the center
of development



In delivering on the 2007/2008 Integrated Development Plan strategic themes, the municipality had some achievements but also encountered challenges.

Theme 1: Housing

- 27 housing units were completed.
- 111 informal settlement structures were relocated.
- Basic services were provided to 152 informal settlements.
- 92 backyard dwellers were relocated.
- 105 houses with defects were rectified and upgraded.
- Ownership of 335 houses was transferred to rightful owners.

Challenges

- Delays in the approval of housing projects by the departments of Local Government and Housing, and Environmental Affairs.
- Obtaining UIF (Unemployment Insurance Fund) Certificates from the Department of Labour needed to verify the employment status of the beneficiaries.
- Shortage of trained and qualified personnel.
- Shortage of funding to do the necessary rectifications on houses.
- Acquisition of personal documentation for beneficiaries.
- Signing of documents with attorneys for housing transfers.
- Inadequate vehicles to perform housing inspections.
- Refusal by beneficiaries to sign sale agreements and assume ownership due to defective RDP and rental houses.



Theme 2: Basic Service Delivery

Water

- Water quality has been maintained to acceptable national standards (SABS 0241 standards).
- Water loss was reduced to 12.09%, far below the national target of < 20.
- All households in the Breede River Winelands Municipality have access to metered water within 200 meters.
- Fire hydrants were installed in Montagu.
- Water purification works were upgraded in McGregor.
- Emergency power plants were completed.

Sanitation

- All households (100%) in the Breede River Winelands Municipality have access to sewerage services.
- All households (100%) have access to basic levels of sanitation.
- Major upgrading of existing sewerage outfall works were undertaken and completed.
- Pump stations were upgraded in Bonnievale.

Solid waste

- All streets in the municipality received a daily, weekly, and monthly cleansing service (depending on traffic in the areas).
- A joint cleansing project with the Local Canning Factory to clean and beautify the municipality was embarked upon.
- A waste re-cycling strategy was developed and communities are involved in the recycling programme.
- The total waste was reduced by +-18% through the composting of organic waste material.
- To contain litter and waste in various communities, 44 skips were purchased.
- The Breede River Winelands Municipality was the first runner up in the 2007 Cleanest Town Competition.



Parks and Recreation

- Hiking trails and picnic areas are consistently maintained.
- In Happy Valley, Van Zyl, and McGregor sports fields were upgraded.
- To enhance the environment and tourism, approximately 360 trees were planted.
- Three play parks were developed, fenced, and fitted with new play equipment; irrigation systems were installed and trees planted.

Roads and Stormwater

- 1.3kms of roads were tarred.
- Major stormwater projects were completed

Electricity

- Energy loss was reduced to 8.46% against the target of < 8.8%.
- 36 RDP houses were electrified; a target of 120 houses could not be reached due to delays in the construction of new units.
- 50 streetlights were erected at electrified RDP houses.
- Miniature substations and 11 kilo-volt low voltage lines were installed.
- 176 consumers in rural areas have access to electricity.
- 1265 prepaid meters were replaced.
- A total electricity saving of 5.6% was achieved.

Disaster Management and Fire Services

- A new fire truck was purchased at a cost of R2 040 887.69.
- A state of the art 24-hour call centre was established.
- Radio repeaters and infra-structure were installed at R591, 768.82.
- 24-hour fire fighting facilities were established.
- 179 fires compared to 168 during the 2006/2007 financial year were responded to.
- Reaction time to fires reported is 3-22 min, from 15-40 min during 2006/2007.
- Approximately 704 building plans were scrutinized for fire safety.
- 4 individuals were affected in two motor vehicle accidents.

Challenges

- Acquiring a sufficient number of fire fighting vehicles for all towns.
- Appointing staff in accordance with pre-determined weight of response requirements.
- Obtaining sufficient finances on the set budget to incrementally meet objectives.
- Devising a strategic fire protection plan, in the face of financial constraints, to meet objectives.
- Financial constraints, as an initial sizeable investment is needed for a new service.



Theme 3: Stakeholder Management

Ward Committees

- A comprehensive public participation policy was developed.
- The ward based planning model developed.
- 10 wards in the municipality submitted their projects and spent their budget.
- Breede River's effective ward based planning has received recognition from national and provincial governments, as well as neighbouring municipalities.
- Ward Committee members were trained on meeting procedures, compilation of agendas and minutes.
- Each ward committee held no less than ten committee meetings.
- The Breede River Winelands Municipality embarked on a re-election process of all ten Ward Committees from April 2008 until 30th June 2008.

Customer Care

- A new 24-hour fire facility was established.
- A Customer Service Charter was established.
- A 24 hour high-tech customer care center was opened.
- A client satisfaction survey was conducted in 2007.
- 76% of the clients are satisfied with the overall services of the municipality.
- 9% of the clients are not satisfied with the overall services of the municipality.
- Ongoing monthly surveys are conducted.



Theme 4: National Programmes:

Local Economic Development (LED)

- The completion of the Local Economic Development Strategy for the Breede River Winelands Municipality by the consultants NB Ideas.
- Strategic partnering with the Graham and Rhona Beck Skills Centre.
- Obtained Gelukshoop farm through the sale of Silverstrand to be allocated to small-scale farmers.
- The appointment of Heart of Route 62 to deliver on the tourism function on behalf of the municipality.
- The construction of a lairage to keep livestock.
- The McGregor Small Scale Farmers received funding from Mawubuye Land Rights Forum and the municipality assisted with water connections.
- The funding of the church to construct a seedling nursery.
- Support provided to a community catering project.
- 10 vegetable gardens were established.

Challenges

- The inability to transform the local tourism sector so as to be inclusive of all communities and meet Council's objectives.
- The unavailability of suitable municipal agricultural land to support land reform programmes.
- No comprehensive land audit of municipal property.
- No land reform forum to guide land reform projects.



Expanded Public Works Programme (EPWP)

- A total of 369 jobs were created through the EPWP for previously unemployed individuals and indigents.
- Jobs created for women and the disabled are 132 and 125 respectively.
- 14 community members received non-accredited training.

Municipal Infrastructure Grant Projects (MIG)

- During 2007/2008, the full allocation of R 4 401 851.39 was spent on various projects in the first month of grant receipt.
- MIG grant funding was spent on upgrading sewerage treatment works, bulk water supply and upgrading sewerage treatment.
- No MIG funds were rolled over to any other financial year.

Awards and Recognitions

- The Breede River Winelands Municipality has received second place in category B of the Western Cape Provincial Municipal Performance Excellence Awards in 2007.
- The Breede River Winelands Municipality was the first runner up in the 2007 Cleanest Town Competition.

Breede River Winelands Municipality Ward Based Planning, received recognition from the Department of Local Government and Housing, together with its partner the German Agency for Technical Cooperation (GTZ), used Breede's planning practices and experience as a case study/model for other municipalities attempting to put together a national public participation framework. The Cape Winelands District Municipality will also use Breede River's case study as a support model for other local municipalities.



Long term contracts

The following are major multi-year contracts concluded by the municipality during the 2007/2008 financial year:

Contractor	Project Purpose	Project Value	No of Years	Contract No.
D Payne Waardeerders	Valuation of properties	R217 947.00	4	N/A
Metgovis	Transfer/verify valuations	R 47 860.00	2	N/A
Geodebt	Maintain Credit Control	R 70 224.00	2	N/A
R-Data	Financial system	R316 381.00 # ¹		N/A

This is a service level agreement for maintenance of the financial system Promun until either of the parties cancels the agreement. The project values as indicated are payments that have been made for the 2007/08 financial year.

Information and Communication Technology (ICT)

An amount of R 686 388 was spent on procuring printers, computers, and expanding computer networks during 2007/2008. A supply chain management program was also purchased during the financial year.





Service Delivery Backlogs

Water Backlogs (KL per month)						
	30th June 2008 (07/08)			30th June 2009 (08/09)		
	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (No. of households receiving minimum standard of service)						N/A
Backlogs to be eliminated						N/A
Spending on new infrastructure to eliminate backlogs (Rand 000)						N/A
Spending on renewal of existing infrastructure to eliminate backlogs (Rand 000)						N/A
Total spending to eliminate backlogs (Rand 000)						N/A
Spending on maintenance to ensure no new backlogs created (Rand 000)						N/A
Sanitation Backlogs						
	30th June 2008 (07/08)			30th June 2009 (08/09)		
	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (No of households receiving minimum standard of service)						N/A
Backlogs to be eliminated						N/A
Spending on new infrastructure to eliminate backlogs (Rand 000)						N/A
Spending on renewal of existing infrastructure to eliminate backlogs (Rand 000)						N/A
Total spending to eliminate backlogs (Rand 000)						N/A
Spending on maintenance to ensure no new backlogs created (Rand 000)						N/A
Refuse Removal Backlogs						
	30th June 2008 (07/08)			30th June 2009 (08/09)		
	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated						Zero
1. Integrated cleaning and refuse collection (weekly) for informal settlements (No. of households)			758			
2. Construction of waste drop off facilities				R100 000.00	R100 000.00	
3. Rehabilitation of closed landfill sites						N/A
Spending on new infrastructure to eliminate backlogs (Rand 000)	R400 000.00	R400 000.00	R398970.00	R3700 000.00	R2180000.00	N/A
1. Construction of waste drop off facilities						N/A
Spending on existing infrastructure to eliminate backlogs (Rand 000)	None					N/A
1. Rehabilitation of waste disposal sites						N/A
2. Rehabilitation of closed landfill sites						N/A
Spending on operations to eliminate backlogs (Rand 000)	None					N/A
1. Integrated cleaning and refuse collection (weekly) for informal settlements (No. of households)						N/A
2. Operation of waste drop off facilities						N/A



Service Delivery Backlogs

Electricity						
	30th June 2008 (07/08)			30th June 2009 (08/09)		
	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (No. of households receiving minimum standard of service)	120	120	36	300	200	N/A
Backlogs to be eliminated						
Spending on new infrastructure to eliminate backlogs (Rand 000)	3 150 000	1 185 000	1339 044	10 830 000	800 000	N/A
Spending on renewal of existing infrastructure to eliminate backlogs (Rand 000)	4 410 000	2 562 968	2 612 005	3 020 000	10 120 000	N/A
Total spending to eliminate backlogs (Rand 000)						N/A
Spending on maintenance to ensure no new backlogs created (Rand 000)	1 790 000	1 790 000	1 775 403	2 010 000	2 010 000	N/A
Roads Backlogs						
	30th June 2008 (07/08)			30th June 2009 (08/09)		
	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (No. of households receiving minimum standard of service)						
Backlogs to be eliminated						
Spending on new infrastructure to eliminate backlogs (Rand 000)						N/A
Spending on renewal of existing infrastructure to eliminate backlogs (Rand 000)						N/A
Total spending to eliminate backlogs (Rand 000)						N/A
Spending on maintenance to ensure no new backlogs created (Rand 000)						N/A
TOTALS						



Informal Settlement Backlogs

Currently there are an estimated 7,969 families without proper housing and shelter. To address this backlog, the municipality needs to deliver 1,594 housing units per year in the next 5 years.

Housing Backlogs						
	30th June 2008 (07/08)			30 th June 2009 (08/09)		
	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (No. of households receiving minimum standard of service)	7,969	120	27	1,594	N/A	N/A
Backlogs to be eliminated						N/A
1. Spending on new housing to eliminate backlogs (Rand 000)						N/A
2. Spending on rectification of existing housing to eliminate backlogs (Rand 000)						N/A
3. Total spending to eliminate housing backlogs (Rand 000)						N/A
4. Spending on housing maintenance to ensure no new backlogs created (Rand 000)						N/A

BUILDING Application Backlogs

Applications outstanding 1st July 2007	Category	Number of new Applications Received 2007/2008	Total value of Applications Received Rand	Applications Outstanding 30 th June 2008
Not known	Residential New	117	23100.51 m ² R103.952 m	Not known
Not known	Residential Additions	260	21685.24 m ² R86, 741m	Not known
Not known	Other Residential	11	1984.04m ² R5.952 m	Not known
Not known	Commercial	35	13616.64 m ² R40.850 m	Not known
Not known	Industrial	16	7568.40m ² R18.846m	Not known
Not known	Minor	198	Not Known	Not known
	TOTAL	637	67954.84m ² R256.341m	



Human Resources and other Organisational Management

Annual Report **CHAPTER 3**

People at the center
of development



Personnel Services

Personnel Services forms an integral part of the Corporate Services and Breede River Winelands Municipality. It is therefore important that this section be managed in a professional and efficient manner. The department is responsible for the following key areas:

- Recruitment and Selection
- Employment Equity
- Skills Development
- Labour Relations
- Induction
- Personnel Maintenance
- Job Creation Projects
- Human Resource Policies

Recruiting and Selecting:

During the 2007/2008 financial year sixty eight (68) new employees were appointed. Representation regarding the appointments is as follows:

Category	Target	Actual
Coloureds	(Target 50%)	52%
Africans	(Target 30%)	36%
Whites	(Target 20%)	12%

As per the table above, the municipality did well in obtaining the stipulated and set targets. It also made a vast improvement by appointing 5 Managers, and Coloured and African candidates. A challenge to rectify the category of Manager & Senior Officials, however, still exists.

One of the main stumbling blocks is a shortage of applicants to fill the following posts; electricians, technical engineers and IT technicians. A head-hunting recruiting process is followed if suitable candidates can not be found and placed. Where possible, persons from within the community are appointed. Unemployment is a major concern and by appointing people from the local community, the municipality attempts to help reduce the unemployment rate.



Employment Equity

Table: Employment Equity statistics per directorate as of June 2008 (Top 4 management levels)

Directorate	African	Coloured	Indian	White	Total	Female	Male
Infrastructure Development	57	164	0	34	255	16	239
Community Services	65	161	0	22	253	66	187
Chief Financial Officer	9	16	0	20	45	24	21
Corporate Services	4	13	0	7	24	18	6
Municipal Manager's Office	9	17	0	7	33	19	14
Total:	144	371	0	90	610	143	467

Skills Development

The Skills Development Plan was compiled and approved as prescribed by legislation. In the 2007/2008 financial year 225 employees had training of which 188 were technical and 37 were managerial, supervisory and safety related training. Of the amount of R568 508.90 paid on the Skills Levy, the 50% that can be reclaimed, being R284 254 was claimed back.

Labour Relations

The primary role of the department is to oversee and manage labour relations and health and safety within the Breede River/Winelands.

During 2007/2008 financial year all labour relations matters were resolved in terms of the prescribed legislations. All employees were informed about the code of conduct through induction, informal advice and interaction with staff members.

The main stumbling block or challenge however remains a lack of any administrative support in the department.

Induction

All the new employees that were appointed went through a one-day induction course where all aspects regarding the culture, rules, and regulations of the directorate were discussed.

Personnel Maintenance

A process document regarding all Human Resources processes in the department was compiled. This helped the department to apply all processes consequently and to ensure that all HR matters are dealt with in a professional manner.



Job Creation Projects

Two hundred and ninety nine (299) jobs were created within the communities of the Breede River Winelands Municipality. These included; cleaning projects, planting trees, distributing letters, installing water pipes, laying electrical cables, and planting poles. The municipality has created a database of all unemployed persons from within the community.

Human Resource Policies:

These are Human Resource policies implemented by the Breede River Winelands Municipality;

- Employment Equity
- Recruiting & Selecting
- Private Work
- Temporary workers
- Long Service Recognition
- Travel & Subsistence Allowance
- Smoking
- HIV/AIDS
- Payment of Pro rata bonuses
- Travelling of personnel between towns – re-location allowance
- Exit interviews
- Induction
- Drug & Alcohol abuse
- Payment policy

Personnel Expenditure:

Trends on Personnel Expenditure to Operating Expenditure (Last three years)

Financial Year	Salaries	Expenditure	Percentage
2007/2008	R69,212,825	194,122,257	35.65%
2006/2007	R58,212,401	179,078,541	32.51%
2005/2006	R50,587,873	140,961,382	35.89%



Arrears owed to Council by Staff/Council/Directors/Managers: (2007/2008)

Category	Amount
Councillor Consumer Account Arrears	R0.00
Councillor Arrear Arrangements	R0.00
Councillor Accounts in Disputes	R0.00
Staff Arrears (Directors & Managers)	R0.00
Other Staff	R88 512.70 (R59 626.91 Land sales incl)

Note: Details are contained in the Financial Statements Chapter 4,

Pension Funds:

The following pension and/or retirement funds are used in the municipality.

- SALA Pension Fund
- Cape Joint Retirement Fund
- Cape Joint Pension Fund
- SAMWU Provident Fund

Medical Aid Schemes:

Employees are able to choose from the following Medical Aid Funds:

- BONITAS
- HOSMED
- Key Health
- LA Health
- SAMWU Med

Learnerships:

No learnerships were recorded during the 2007/2008 financial year.



Governance and Institutional Arrangements:

This section of the annual report explains the framework of the institutional structures and resources that Council established during the 2007/2008 financial year so as to implement its strategies.

Council Structure:

The relationship between Council's different political structures is as follows:

Mayoral Committee Members:





Section 79 Portfolio Committees and Chairpersons:

These were the portfolio committees and chairpersons during the past financial year.

Table 3.4 Portfolio Committees

Committee	Chair
Corporate Services	Cllr O Simpson
Finance	Cllr E Vollenhoven
Infrastructure Development	Cllr SJ Ngonyama
Community Services	Cllr C Grootboom

Office of the Speaker:

Mr. M Du Preez is the speaker of the council and the role of the speaker was to;

- Ensure that there was an attendance register at the constituents' meetings and that it was signed so as to monitor the election process.
- Explain the roles and responsibilities of ward committees and their members to the meeting. Explain the election process to the participants. Call for nominations for committee members and for seconders to sign appropriate forms.
- Count the votes and announce the results.
- Ensure that elected ward committee members were aware of their roles and responsibilities and signed the appropriate forms.

Ward Committees:

The council has ten (10) wards and they are appointed for a period of two (2) years. Each ward committee has approximately ten members.

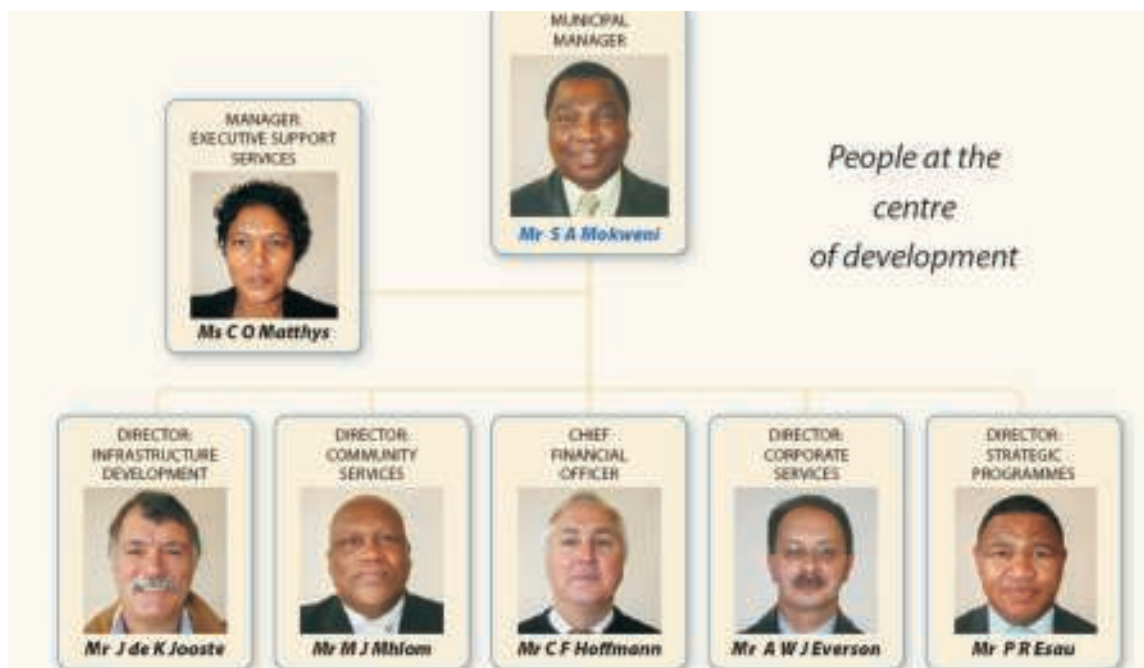
WARD COMMITTEE	CHAIRPERSON
Ward 1, Robertson	Cllr J D Burger
Ward 2, Robertson (Nkqubela)	Cllr S W Nyamana
Ward 3, Robertson	Cllr M Carelse-Snyman
Ward 4, Bonnievale (Happy Valley)	Cllr E Vollenhoven
Ward 5, McGregor	Cllr G Fielies
Ward 6, Montagu (Ashbury)	Cllr M W H du Preez (Speaker)
Ward 7, Montagu	Cllr J Thomson
Ward 8, Bonnievale	Cllr S W van Eeden
Ward 9, Ashton	Cllr J Adams
Ward 10, Ashton (Zolani)	Cllr K Klaas



Executive Management:

The Executive Management team is the key force behind the achievement of the municipality's strategic goals. During 2007/2008 the administration implemented the macro design illustrated below.

Mr MJ Mhlom – Director Community Services
 Mr J de K Jooste – Director Infrastructure Development
 Mr CF Hoffmann – Chief Financial Officer
 Mr AWJ Everson – Director Corporate Services
 Mr P R Esau – Director Strategic Programmes (Resigned on the 31 May 2008)





Organisational Realignment:

Following the re-alignment of the Macro Organizational Structure by the Municipal Manager, and approved by Council during May 2007, and in order to ensure more effectiveness and efficiency, it was necessary to also re-align the micro structure of the organization.

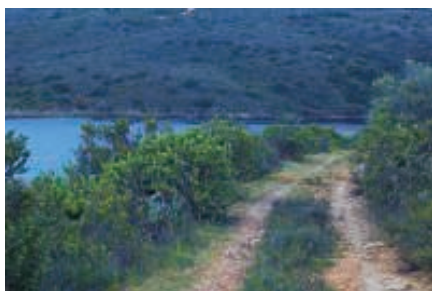
In some cases the functions of directorates were not properly clustered together (i.e. traffic in Infrastructure Development and Disaster Management in Community Services). These matters were corrected with the realignment and it was ensured that similar positions in the various directorates, were placed on the same level.

Further, due to the shortage in managerial and supervision aspects, sufficient Manager and Supervision positions were created on the structure as to ensure that there is a proper control and command structure in place.

Before the realignment the personnel structure had 766 posts. Following the realignment the personnel structure now has 811 posts.

The command structure as it is following the realignment also contributed to a more hands on approach being possible by Managers as they have more controllable sizes of departments to manage. In this regard one can consider the engineering services that is divided in an eastern side (Ashton, Bonnievale & Montagu) and a western side (Robertson and McGregor). The same is true of the Cleaning and Environmental Services, there we have the same eastern and western areas.

Following the realignment a changed salary structure based on the previous grade 7 municipalities salaries were put in place in order to address the salary needs in the organization in order to attract suitably qualified and competent persons, and especially the middle management and clerical positions. Following the introduction of the realignment model and the new salaries, all personnel doing the same order work are on the same salary level and earn the same salary based on that level.



Number of Employees:

The following table reflects the number of staff per category as at 30 June 2008.

Category	No
Legislators, senior officials, and managers	32
Clerks	70
Technicians and Associate professionals	110
Craft and related trades workers	92
Elementary occupations	306
Total:	610

Staff Category per Directorate:

Directorate	Total	Legislators, senior officials and managers	Clerks	Technicians and Associate professionals	Craft and related trades workers	Elementary occupations	Profe- ssionals
Infrastructure Development	255	9	10	37	61	138	0
Corporate Services	24	4	10	4	1	5	0
Chief Financial Office	45	4	31	8	2	0	0
Community Development	253	9	8	52	28	156	0
Municipal Manager's Office	33	6	11	9	0	7	0
Total:	610	32	70	110	92	306	0



**Breede River Winelands Municipality
Annual Financial Statements**

Annual Report
CHAPTER 4

People at the center
of development

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BREEDE RIVER WINELANDS MUNICIPALITY ANNUAL FINANCIAL STATEMENTS

for the year ended
'30 June 2008

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 54, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 24 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

S A MOKWENI
Municipal Manager

Date: August 2008

Other Information

Nature of Business	Breede River Winelands Municipality is a local municipality performing the functions as set out in the Constitution.(Act no 105 of 1996).
Country of Origin and Legal Form	South African local municipality as defined by the Municipal Structures Act (Act no 117 of 1998)
Directors	S A Mokweni - Municipal Manager C F Hoffmann - Chief Financial Officer J de K Jooste - Director: Infrastructure Development M J Mhlom - Director: Community Services A W J Everson - Director: Corporate Services P R Esau - Director: Strategic Services and Economic Development
Principal Bankers	ABSA P O Box 4453 Tyger Valley 7536
Auditors	Office of the Auditor General P O Box 446 Pretoria 0001
Attorneys	Muller Baard du Toit Posbus 41 Robertson 6705 Van Zyl & Hofmeyr Posbus 8 Montagu 6720 Van Niekerk & Linde Posbus 49 Bonnievale 6730
Registered Office	28 Main Street Ashton 6715
Relevant Legislation	Municipal Finance Management Act (Act no 56 of 2003) Division of Revenue Act The Income Tax Act Value Added Tax Act Municipal Structures Act (Act no 117 of 1998) Municipal Systems Act (Act no 32 of 2000) Municipal Planning and Performance Management Regulations Water Services Act (Act no 108 of 1997) Housing Act (Act no 107 of 1997) Municipal Property Rates Act (Act no 6 of 2004) Electricity Act (Act no 41 of 1987) Skills Development Levies Act (Act no 9 of 1999) Employment Equity Act (Act no 55 of 1998) Unemployment Insurance Act (Act no 30 of 1966) Basic Conditions of Employment Act (Act no 75 of 1997) Supply Chain Management Regulations, 2005 Collective Agreements Infrastructure Grants SALBC Leave Regulations

Financial Position

	Note	2008 R	2007 R
NET ASSETS AND LIABILITIES			
Net assets		354,123,904.77	341,330,756
Housing Development Fund	1	3,051,267	5,450,691
Capital replacement reserve	2	29,451,578	29,451,578
Capitalisation reserve	2	35,155,811	38,529,696
Government grant reserve	2	72,620,250	69,020,860
Revaluation reserve	2	0	0
Accumulated Surplus/(Deficit)		213,844,999	198,877,931
Non-current liabilities		33,485,676	33,751,231
Long-term liabilities	3	29,885,136	30,150,691
Non-current provisions	4	3,600,540	3,600,540
Current liabilities		33,526,585	33,192,381
Consumer deposits	5	4,336,523	3,978,788
Provisions	6	2,287,675	1,657,308
Trade payables	7	17,367,598	15,277,175
Unspent conditional grants and receipts	8	6,643,949	7,949,508
Taxes	9	1,253,611	1,296,130
Short-term loans	10	0	0
Cash and cash equivalents	21	0	0
Current portion of long-term liabilities	3	1,637,228	3,033,473
Total Net Assets and Liabilities		421,136,165	408,274,368
ASSETS			
Non-current assets		328,964,348	315,724,140
Property, plant and equipment	11	325,562,524	311,441,714
Non-current assets held for sale	12	0	0
Investment property	13	0	0
Intangible Assets	14	503,320	434,037
Biological Assets	15	0	0
Investments	16	4,482	5,908
Long-term receivables	17	2,894,023	3,842,482
Current assets		92,171,817	92,550,227
Inventory	18	9,081,197	7,942,453
Trade receivables from exchange transactions	19	8,994,595	7,162,300
Other receivables - Non exchange transactions	20	2,243,268	2,675,159
Unpaid conditional grants and receipts	8	963,236	418,628
Current portion of long-term debtors	17	2,220,209	130,943
Cash and cash equivalents	21	68,669,312	74,220,744
Total Assets		421,136,165	408,274,367

Financial Performance

			Actual	
	Note	2008 R	2007 R	
REVENUE				
Property rates	22	20,322,854	22,602,993	
Property rates - penalties imposed and collection charges		254,894	164,182	
Service charges	23	138,457,749	125,588,447	
Rental of facilities and equipment		864,674	748,385	
Interest earned - external investments		8,746,970	6,243,700	
Interest earned - outstanding debtors		504,389	1,495,533	
Dividends received		-	-	
Fines		3,495,123	2,599,621	
Licences and permits		1,149,223	1,166,672	
Income for agency services		1,902,244	1,504,098	
Government grants and subsidies	24	31,687,684	33,366,895	
Other income	25	4,179,246	4,385,244	
Property, plant and equipment adjustments	11	-	-	
Changes in fair values	16	-	3,853	
Gains on disposal of property, plant and equipment		-	3,280,139	
Total Revenue		211,565,050	203,149,761	
EXPENDITURE				
Employee related costs	26	66,134,861	58,742,234	
Remuneration of Councillors	27	4,216,902	3,853,794	
Bad debts		6,104,253	9,862,567	
Collection costs		547,956	636,112	
Depreciation	11	19,328,989	16,476,853	
Amortisation - Intangible Assets	14	94,795	13,387	
Repairs and maintenance		8,427,801	6,214,934	
Interest paid	28	4,386,022	3,447,357	
Bulk purchases	29	50,982,806	47,514,730	
Contracted services		1,044,855	1,167,465	
Grants and subsidies paid	30	7,238,310	4,739,337	
Operating Grant Expenditure	App "F"	791,360	1,188,513	
General expenses	31	26,377,715	22,794,558	
Changes in Fair Value (Loss)		1,426	-	
Loss on disposal of property, plant and equipment		3,348,546	-	
Total Expenditure		199,026,597	176,651,843	
SURPLUS/(DEFICIT) FOR THE YEAR		12,538,453	26,497,918	
Share of surplus/(deficit) of associate accounted for under the equity method	32	-	-	
NET SURPLUS/(DEFICIT) FOR THE YEAR		12,538,453	26,497,918	
Refer to Appendix E(1) for explanation of variances				

Statement of Changes in Net Assets

	Pre-GAMAP Reserves and Funds R	Housing Development Fund R	Capital Replacement Reserve R	Capitalisation Reserve R	Government Grant Reserve R	Accumulated Surplus/ (Deficit) R	Total R
2007							
Balance at 30 June 2006	42,625,405	4,188,071	-	-	-	47,076,843	93,890,319
2006							
Correction of error	-	-	-	-	-	-	-
Change in accounting policy - See Note 33	(42,625,405)	-	37,898,554	55,919,886	66,546,826	101,676,950	219,416,811
Offsetting of Backlog Depreciation - Intangible Assets	-	-	-	-	(328)	328	-
Offsetting of Backlog Depreciation	-	-	-	(14,010,507)	(9,087,669)	23,098,176	-
Restated balance	-	4,188,071	37,898,554	41,909,378	57,458,830	171,852,297	313,307,130
Net surplus/(deficit) for the year	-	-	-	-	-	26,497,918	26,497,918
Transfer to/from CRR	-	-	4,040,356	-	-	(4,040,356)	-
Property, plant and equipment purchased	-	-	(12,487,332)	-	-	12,487,332	-
Capital grants used to purchase PPE	-	-	-	-	14,745,777	(14,745,777)	-
Capital grants used to purchase Intangible Assets	-	-	-	-	36,050	(36,050)	-
Transfer to Housing Development Fund	-	1,262,620	-	-	-	(1,262,620)	-
Change in funding sources	-	-	-	-	297,756	(297,756)	-
Asset disposals	-	-	-	-	-	-	-
Offsetting of depreciation	-	-	-	(3,379,682)	(3,516,580)	6,896,262	-
Offsetting of depreciation - Intangible Assets	-	-	-	-	(972)	972	-
Balance at 30 June 2007	-	5,450,691	29,451,578	38,529,696	69,020,860	197,352,223	339,805,048
2008							
Correction of error - Note 34	-	-	254,696	-	-	1,525,708	1,780,404
Additional contribution to bad debt	-	-	-	-	-	-	-
Restated balance	-	5,450,691	29,706,274	38,529,696	69,020,860	198,877,931	341,585,452
Net surplus/(deficit) for the year	-	-	-	-	-	12,538,453	12,538,453
Transfer to/from CRR	-	-	21,196,326	-	-	(21,196,326)	-
Property, plant and equipment purchased	-	-	(21,451,022)	-	-	21,451,022	-
Capital grants used to purchase PPE	-	-	-	-	7,844,985	(7,844,985)	-
Capital grants used to purchase Intangible Assets	-	-	-	-	-	-	-
Transfer to Housing Development Fund	-	(2,399,424)	-	-	-	2,399,424	-
Change in funding sources	-	-	-	-	-	-	-
Asset disposals	-	-	-	-	(8,426)	8,426	-
Offsetting of depreciation	-	-	-	(3,373,885)	(4,229,325)	7,603,210	-
Offsetting of depreciation - Intangible Assets	-	-	-	-	(7,843)	7,843	-
Balance at 30 June 2008	-	3,051,267	29,451,578	35,155,811	72,620,250	213,844,999	354,123,905

Cash Flow Statement

	Note	2008 R	2007 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		197,742,074	196,003,278
Cash paid to suppliers and employees		-168,503,281	-160,334,369
Cash generated from/(utilised in) operations	35	29,238,792	35,668,909
Interest received		8,746,970	6,243,700
Interest paid		(4,386,022)	(3,447,357)
Correction of error - Note 34		254,696	
NET CASH FROM OPERATING ACTIVITIES		33,854,437	38,465,252
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(38,400,101)	(46,626,133)
Transfer to Investment Properties			
Proceeds on disposal of fixed assets		1,601,743	3,280,139
Purchase of in Intangible Assets		(164,078)	(437,375)
Purchase of Investment Properties			
(Increase)/decrease in biological assets			
(Increase)/decrease in long-term receivables		(1,140,807)	(2,429,864)
(Increase)/decrease in non-current investments		1,426	(3,853)
NET CASH FROM INVESTING ACTIVITIES		(38,101,816)	(46,217,087)
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		(1,661,788)	8,802,753
Increase in consumer deposits		357,735	103,122
NET CASH FROM FINANCING ACTIVITIES		(1,304,053)	8,905,875
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(5,551,432)	1,154,041
Cash and cash equivalents at the beginning of the year	36	74,220,744	73,066,703
Cash and cash equivalents at the end of the year	36	68,669,312	74,220,744
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(5,551,432)	1,154,041

Notes AFS

	2008 R	2007 R
1 HOUSING DEVELOPMENT FUND		
Housing Development Fund	3,051,267	5,450,691
Unappropriated Surplus	3,051,267	5,450,691
The above balances are represented by cash and is invested together with the other investments of the municipality (See Notes 16 and 21)		
2 NETT ASSET RESERVES		
RESERVES	137,227,639	137,002,134
Capital Replacement Reserve	29,451,578	29,451,578
Capitalisation Reserve	35,155,811	38,529,696
Government Grant Reserve	72,620,250	69,020,860
Revaluation Reserve	-	-
Sub-total	137,227,639	137,002,134
	-	-
Total Nett Asset Reserve Assets and Liabilities	137,227,639	137,002,134
3 LONG-TERM LIABILITIES		
Annuity Loans - At amortised cost	31,434,789	32,784,211
Capitalised Lease Liability - At amortised cost	87,575	399,952
Sub-total	31,522,364	33,184,163
Less : Current portion transferred to current liabilities	-1,637,228	-3,033,473
Financial Lease	-31,816	(341,961)
Annuity Loans	-1,605,413	(2,691,511)
Total External Loans - At amortised cost	29,885,136	30,150,691

Notes AFS

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice

- Leases (AC 105) Recognising operating lease payments / receipts on a straight line basis if the amount is recognised on the basis of the cash flows in the lease agreement. [SAICA Circular 12/06 paragraphs 8-11 and paragraphs 33, 34, 50, 51 of AC 105)]

The obligations under finance leases are scheduled below:

Amounts payable under finance leases:

Payable within one year

Payable within two to five years

Less: Future finance obligations

Present value of lease obligations

Less: Amounts due for settlement within 12 months

Amount due for settlement after 12 months

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance leases.

Minimum lease payments

35,247	365,773
18,124	23,926
53,370	389,699
5,274	23,811
48,096	365,888
-31,816	-341,961
16,280	23,926

Leases are secured by property, plant and equipment. - Note 11

A bond is registered on the Town Hall of Ashton in favour of the Development Bank of South Africa as security for the following loans:

- 1) Extension - Municipal Offices
- 2) Vehicle Testing Station
- 3) Paving
- 4) Electrification - Industrial Area

288,000	288,000
298,000	298,000
157,000	157,000
40,000	40,000
783,000	783,000

Debtors to the value of R 2 500 000 is ceded to the Development Bank of South Africa as security for the following loans: (Loan WC 13452)

- 1) Bulk Water Supply
- 2) Moveable Assets
- 3) Infrastructure Development

2,301,237	2,301,237
150,000	150,000
3,065,550	3,065,550
5,516,787	5,516,787

Debtors to the value of R 650 000 is ceded to the Development Bank of South Africa as security for the following loans: (Loan WC 13586)

- 1) Moveable Assets
- 2) Infrastructure Development

390,000	390,000
1,080,000	1,080,000
1,470,000	1,470,000

Notes AFS

4 NON-CURRENT PROVISIONS

Non-current provision liabilities

Rehabilitation of Landfill-sites

Total 3,600,540 3,600,540

	2008 Landfill-Site	2008 Medical Aid	2008 Long Service
Balance 1 July 2007	3,600,540	-	-
Contribution for the year		-	-
	<u>3,600,540</u>	<u>-</u>	<u>-</u>
Less: Transfer of current portion to current provisions - Note 6		-	-
Balance 30 June 2008	<u>3,600,540</u>	<u>-</u>	<u>-</u>

Provision for the rehabilitation of landfill-sites

Balance brought forward

Charged / (credited) to the income statement:

- Additional provisions

- Contribution to provision - Change in

Accounting Policy

Reversal of provision overstated

Transfer to current portion

Balance 30 June

3,600,540	3,600,540
0	0
0	0
<u>3,600,540</u>	<u>3,600,540</u>

5 CONSUMER DEPOSITS

Electricity 4,336,523 3,978,788

Total Consumer Deposits 4,336,523 3,978,788

The fair value of consumer deposits approximate their carrying value.

6 PROVISIONS

Performance Bonusses

Bonusses

Total Provisions

336,350	-
1,951,325	1,657,308
<u>2,287,675</u>	<u>1,657,308</u>

	<u>Performance Bonus</u>	<u>Annual Bonus</u>	<u>Total Provisions</u>
30-Jun-08			
Balance at beginning of year	-	1,657,308	1,657,308
Transfer from non-current	-	-	-
Contributions to provision	336,350	3,382,492	3,718,842
Expenditure incurred	-	-3,088,475	-3,088,475
Balance at end of year	<u>336,350</u>	<u>1,951,325</u>	<u>2,287,675</u>
30-Jun-07			
Balance at beginning of year	-	-	-
Transfer from non-current	-	-	-
Contributions to provision	-	3,341,496	3,341,496
Expenditure incurred	-	-1,684,188	-1,684,188
Balance at end of year	<u>-</u>	<u>1,657,308</u>	<u>1,657,308</u>

Notes AFS

7 TRADE PAYABLES

Sundry Payables

Trade payables	9,308,550	6,839,405
Payments received in advance	759,791	1,175,156
Insurance Claims	-	110,264
Suspense	49,184	135,550
Retentions and Guarentees	687,862	1,321,267

Deposits: Other	1,857,125	1,253,802
	12,662,512	10,835,443

Employee Benefit Liabilities

Staff Leave liability i.t.o. GAMAP 19.15(b)	4,705,086	4,441,732
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Total Creditors

Payables being paid within 30 days are being recognised net of discounts.

17,367,598	15,277,175
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8 UNSPENT CONDITIONAL GRANTS AND

Conditional Grants from other spheres of Government

Unspent Grants	6,643,949	7,949,508
Less: Unpaid Grants	963,236	418,628
Total Conditional Grants and Receipts	5,680,713	7,530,880

See appendix "F" for reconciliation of grants from other spheres of government. These amounts are invested in a ring-fenced investment until utilised and approximate its carrying value. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised (Note 24). No grants were withheld.

9 TAXES

VAT payable	1,253,611	1,296,130
-------------	------------------	------------------

VAT is payable on the receipts basis. Only once payment is received from debtors is

10 SHORT-TERM LOANS

The Municipality has no short term loans

12 NON-CURRENT ASSETS HELD FOR SALE

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the notice.

- Non-current Assets Held for Sale and Discontinued Operations (AC142)
Classification, measurement and disclosure of non-current assets held for sale.
[paragraphs 6-14, 15-29 (in so far as it relates to non-current assets held for sale), 38-42]

Notes AFS

13 INVESTMENT PROPERTY

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the notice.

- Investment Property (AC 135) The entire standard to the extent that property is accounted for in terms of GAMAP 17.
- Investment Property (AC 135) Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised investment property in terms of this standard. [Paragraphs 79(e)(i) – (iii)]

14 INTANGIBLE ASSETS

Cost		
Balance 1 July 2007	612,421	448,343
Transferred from Property, Plant and Equipment - At cost - Note 33.6	448,343	10,968
Aquisitions for the year - At cost	-	-
	164,078	437,375
Less: Accumulated Amortisation	(109,101)	(14,306)
Balance 1 July 2007	(14,306)	(919)
Transferred from Property, Plant and Equipment - At cost - Note 33.6		
Accumulated Amortisation for the year	(94,795)	(13,387)
Total Intangible Assets	503,320	434,037

The Municipality transferred Intangible Assets (Computer Software) from Property, Plant and Equipment.

The cost and accumulated amortisation were restated for the 2006 financial year.- Note 11

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the notice.

- Intangible Assets (AC 129) The entire standards except for the recognition, measurement and disclosure of the computer software and website costs (AC 432) and all other costs were expensed.

15 BIOLOGICAL ASSETS

The Municipality has no biological assets

16 INVESTMENTS

Financial Instruments

Listed

Sanlam Shares held at fair value through profit and loss 270 shares

4,482 5,908

Total Investments

4,482 5,908

The effective interest rate was 6.98% (2007:

Investments made to serve as collateral security for staff housing loans:

28,847 25,532

Notes AFS

17 LONG-TERM RECEIVABLES

Staff Car Loans - At amortised cost	66,523	197,466
Provincial Government Housing Loans - At	3,275,532	3,014,518
Staff Study loans - At amortised cost	70,326	28,810
Services connections - At amortised cost	529,876	25,640
Land Sales - At amortised cost	887,496	706,991
Agreements	7,929,082	
	<u>12,758,836</u>	<u>3,973,425</u>
Less : Provision for bad debts	<u>(7,644,604)</u>	
	<u>5,114,232</u>	<u>3,973,425</u>
Less : Current portion transferred to current receivables	<u>(2,220,209)</u>	<u>(130,943)</u>
Total	<u>2,894,023</u>	<u>3,842,482</u>

CAR LOANS

Senior staff are entitled to car loans which attract interest at 8% per annum and which are repayable over a maximum period of 6 years. These loans are redeemed July 2009 or when the employee resigns.

The car loans are secured over the asset..

18 INVENTORY

Consumable Stores - Stationery and materials	<u>9,081,197</u>	<u>7,942,453</u>
Total Inventory	<u>9,081,197</u>	<u>7,942,453</u>

19 TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS

Water	4,444,278	3,209,760
Electricity	5,640,686	6,806,490
Housing Rentals	1,136,195	1,243,028
Refuse	2,240,085	2,538,342
Sanitation	2,918,206	3,362,942
Other Arrears	6,060,003	2,187,165
Total : Trade receivables from exchange	<u>22,439,452</u>	<u>19,347,727</u>
Less : Provision for bad debts	<u>(13,444,857)</u>	<u>(12,185,426)</u>
Total	<u>8,994,595</u>	<u>7,162,300</u>
Debtor accounts written off during the year:	<u>400,778</u>	<u>6,341,889</u>

The fair value of other receivables approximate their carrying value.

(Electricity, Water, Refuse, Sanitation and Other): Ageing

Current (0 - 30 days)	8,475,306	6,614,732
31 - 60 Days	1,262,200	872,364
61 - 90 Days	901,172	496,294
+ 90 Days	11,800,775	11,364,337
Total	<u>22,439,452</u>	<u>19,347,727</u>

Notes AFS

Summary of Debtors by Customer Classification

	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30-Jun-08			
	R	R	R
Current (0 – 30 days)	2,809,168	5,304,499	361,638
31 - 60 Days	870,055	363,206	28,939
61 - 90 Days	702,150	172,004	27,018
+ 90 Days	5,712,777	1,798,556	4,289,442
Sub-total	10,094,151	7,638,264	4,707,037
Less: Provision for bad debts	-6,048,027	-4,576,554	-2,820,276
Total debtors by customer classification	<u>4,046,124</u>	<u>3,061,710</u>	<u>1,886,761</u>

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

20 OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Taxes - Rates	3,455,397	4,132,596
Miscellaneous	1,725,714	5,057,199
Other Debtors	415,327	
Other Debtors	<u>5,596,438</u>	<u>9,189,795</u>
Less : Provision for bad debts	(3,353,171)	(6,514,636)
Total	<u>2,243,268</u>	<u>2,675,159</u>

Rates: Ageing

Current (0 – 30 days)	706,290	595,206
31 - 60 Days	237,322	491,970
61 - 90 Days	175,784	82,269
+ 90 Days	2,336,001	2,963,151
Total	<u>3,455,397</u>	<u>4,132,596</u>

Miscellaneous: Ageing

Current (0 – 30 days)	98,556	379,287
31 - 60 Days	64,173	76,901
61 - 90 Days	57,068	59,541
+ 90 Days	1,505,917	4,541,470
Total	<u>1,725,714</u>	<u>5,057,199</u>

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

The fair value of other receivables approximate their carrying value.

Notes AFS

21 CASH AND CASH EQUIVALENTS

Assets

Call Investment Deposits	51,082,923	50,988,710
Primary Bank Account	17,579,162	23,227,056
Cash Floats	7,227	4,977

Total Cash and Cash Equivalents - Assets

68,669,312	74,220,744
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Liabilities

Primary Bank Account (Overdraft)	-	-
----------------------------------	---	---

Total Cash and Cash Equivalents - Liabilities

-	-
----------	----------

The effective interest rate was 6.98% (2007: 6.3%).

The Municipality has the following bank accounts: -

Current Account (Primary Bank Account)

ABSA - Account Number 1050000008 (Primary	17,402,582	30,744,101
ABSA - Account Number 4062728351	2,400	176,914

17,404,982	30,921,015
-------------------	-------------------

Cash book balance at beginning of year	23,227,056	7,034,924
Cash book balance at end of year	17,579,162	23,227,056

Bank statement balance at beginning of year - (overdrawn)	30,921,015	9,903,467
Bank statement balance at end of year - (overdrawn)	17,404,982	30,921,015

Amount ringfenced in investments -Fixed and Call- Accounts in order to fund the Capital Replacement Reserve	29,451,578	29,451,578
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Amount ringfenced in investments -Fixed and Call- Accounts- in order to fund the Unspent Conditional Grants	6,643,949	7,949,508
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22 PROPERTY RATES

Actual

Rateable Land and Buildings	39,816,051	37,799,147
Less: Income Foregone	(19,493,197)	-15,196,155

Total Assessment Rates

20,322,854	22,602,993
-------------------	-------------------

Valuations

1 July 2007	1 July 2006
--------------------	--------------------

Taxable properties	2,473,502,196	2,473,502,196
--------------------	---------------	---------------

Total Property Valuations

2,473,502,196	2,473,502,196
----------------------	----------------------

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2003. The basic rate was 1,67 c per Rand on land and buildings (2007 = 1,59c/R). There are 15 926 properties of which 13430 are residential. Pensioners qualify for discounts of 20-40%

Rates are levied monthly and payable by the 7th of the following month. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

Notes AFS

23 SERVICE CHARGES

Sale of electricity	93,528,960	87,141,155
Sale of Water	19,900,210	18,284,402
Waste Management charges	14,492,529	11,824,098
Waste Water Management charges	10,536,050	8,338,791
Private Works	0	-
Total Service Charges	138,457,749	125,588,447

Electricity

Units bought/generated	269,658,444	268,490,872
Units sold	248,917,218	257,828,048
Units lost in distribution	20,741,226	10,662,824
Units lost in distribution (%)	7.692%	3.971%
Cost per unit bought/generated (cents)	R 0.264	R 0.173
Loss in Distribution (at cost)	R 5,478,459	R 1,842,725

Water

Units bought/generated	6,545,378	6,546,443
Units sold	5,188,202	5,279,987
Units lost in distribution	1,357,176	1,266,456
Units lost in distribution (%)	20.735%	19.346%
Cost per unit sold (cents)	R 3.451	R 2.619
Loss in Distribution (at selling price)	R 4,682,948	R 3,316,546

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the notice

- Revenue (GAMAP 9) Initial measurement of fair value discounting all future receipts using an imputed rate of interest. [SIACA Circular 09/06 and paragraph 12]

Notes AFS

24 GOVERNMENT GRANTS AND SUBSIDIES

Equitable Share	20,085,293	16,919,084
Subsidy - Health		434,625
Subsidy - Main Roads	336,238	38,000
Subsidy - library	319,173	4,846
Finance Management Grant	481,906	475,027
Bulk Services		103,538
Development Levy		34,545
Zolani Sportsfields	19,267	4,491
Municipal Systems Improvement Grant	438,624	237,794
Route 62 Projects BDM	-	53,392
Performance Management	11,734	3,101
Trenches Bridges Montagu Floods Aug'05		39,576
B/vale Informal Area Relocation	6,298	23,662
Scaife Houses Sanitation		166,329
28 Semi-Detached Houses	121,406	63,253
Housing Project	4,589,033	2,066,847
Toilets		39,729
Performance Management		4,241
Integrated Information System		198,614
Integrated Spatial Information System	23,940	317,124
Drought Relief		5,663,628
Flood Damage MIG		1,428,499
Robertson Sewerage Pump Stations		40,887
Transformation Funds		23,031
Spatial Development Framework		208,154
Pre-paid Watermeters		7,628
INEP Funding - Electrification	313,567	361,748
Housing Development Fund		255,616
Netball Courts Montagu	7,567	
Stormwater Upgrade Ashton/Bvale	440,000	
MIG Projects	1,786,401	4,149,886
Transport Grant - DORA R1,79m	2,259,996	
ABSA Grant - Fire Brigade	16,741	
Cleaning Recycling Project	20,500	
Masibambane Programme	300,000	
Investigation Grant	110,000	
Total Government Grant and Subsidies	<u>31,687,684</u>	<u>33,366,895</u>

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive 6kl free water and 50kwh free electricity per month, which is funded from this grant.

(See Appendix "F" for a reconciliation of all

Notes AFS

25 OTHER INCOME

Other income represents sundry income such as certificates, cemetery charges and photocopies

	4,179,246	4,133,601
	-	-
Total Other Income	4,179,246	4,133,601

26 EMPLOYEE RELATED COSTS

Employee related costs - Salaries and Wages	44,022,511	36,684,411
Employee related costs - Contributions for UIF, pensions and medical aids	10,402,614	10,106,084
Travel, motor car, accommodation, subsistence and other allowances	3,847,095	4,687,645
Housing benefits and allowances	662,049	556,482
Overtime Payments	2,791,184	2,763,367
Bonus	3,718,842	3,341,496
Staff Leave	690,565	602,749
Contribution to provision - Bonus - Note 6		
	66,134,861	58,742,234
Less: Employee Costs Capitalised		
Total Employee Related Costs	66,134,861	58,742,234

The Municipality pays for the medical aid of retired officials. There are currently seven retired officials who qualify for this benefit. The contribution for the current year was R807 175 (2007: RXXX) and the contribution for the 2008 financial year will be R129 864.

KEY MANAGEMENT PERSONNEL

Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.

REMUNERATION OF KEY MANAGEMENT

MUNICIPAL MANAGER: S A MOKWENI

From 5 April 2007

Salary	448,282	89,750
Travel Allowance	132,710	32,627
Risk Allowance	8,333	5,865
Performance Bonus	23,881	
Pension	78,905	16,155
Medical Aid	14,011	
Equipment Allowance	6,808	4,945
Housing Allowance	6,539	4,741
Office Allowance	24,000	5,756
U.I.F.	117	350
Entertainment Allowance	6,694	4,857
Sundry	28,997	
Compensating Allowance		
Travelling	9,542	1,229
Subsistence	1,977	
Total	790,796	166,276

Notes AFS

MUNICIPAL MANAGER: N NEL

Until 31 March 2007

Salary		223,294
Travel Allowance		116,905
Risk Allowance		60,833
Performance Bonus		56,974
Pension		40,193
Leave Payout		73,865
Medical Contribution		18,247
Bonus		16,299
Equipment Allowance		6,750
Housing Allowance		5,094
Office Allowance		4,500
Group Life Insurance		1,153
U.I.F.		1,050
Total		625,157

CHIEF FINANCIAL OFFICER: C F HOFFMANN

From 1 June 2007

Salary	375,000	25,000
Travel Allowance	133,133	9,971
Pension	67,763	4,518
Medical Contribution	20,012	1,500
Group Life Insurance		750
U.I.F.		117
Compensating Allowance		
Travelling	7,942	
Subsistence	5,644	
Total	609,493	41,855

CHIEF FINANCIAL OFFICER: S A MOKWENI

Vanaf 1 February 2007 to 4 April 2007

Salary		59,833
Travel Allowance		18,000
Risk Allowance		1,667
Pension		10,770
Equipment Allowance		1,667
Housing Allowance		1,506
Office Allowance		1,500
U.I.F.		233
Entertainment Allowance		1,583
Total		96,759

CHIEF FINANCIAL OFFICER: J J VAN DER WESTHUIZEN

To 30 November 2006

Salary		159,735
Travel Allowance		99,033
Risk Allowance		30,396
Equipment Allowance		5,873
Housing Allowance		14,975
Office Allowance		6,249
U.I.F.		933
Leave Payout		8,000
Entertainment Allowance		10,437
Total		335,629

Notes AFS

DIRECTOR: INFRASTRUCTURE DEVELOPMENT: J DE K JOOSTE

Salary	320,000	285,885
Travel Allowance	160,158	152,549
Performance Bonus	43,688	39,719
Pension	57,600	51,459
Medical Contribution	27,670	17,058
Leave Payout	29,582	15,602
U.I.F.		1,399
Entertainment Allowance	31,319	15,255
Compensating Allowance		
Travelling		
Subsistence	84	
Total	670,101	578,928

DIRECTOR: COMMUNITY DEVELOPMENT : M J MHLOM

From 1 February 2007

Salary	360,000	131,250
Travel Allowance	106,800	44,500
Housing Allowance	11,495	3,765
Performance Bonus	17,522	
Pension	64,800	23,625
Equipment Allowance	16,010	3,129
Office Allowance	14,400	3,542
Medical Contribution	12,024	5,010
U.I.F.		583
Entertainment Allowance	11,217	3,649
Sundry	15,153	
Compensating Allowance		
Travelling	9,770	
Subsistence	8,821	
Total	648,012	219,053

DIRECTOR: COMMUNITY DEVELOPMENT: J MARTHINUS

To 30 November 2006

Salary		100,000
Travel Allowance		59,187
Pension		18,000
Leave Payout		47,257
Medical Contribution		7,578
U.I.F.		583
Total		232,605

DIRECTOR: CORPORATE SERVICES: A W J EVERSON

From 1 June 2007

Salary	380,000	26,083
Travel Allowance	123,345	9,500
Performance Bonus		
Pension	68,400	4,695
Medical Contribution	19,008	1,060
Equipment Allowance	5,994	66
Group Life Insurance		696
U.I.F.		117
Sundry	3	
Compensating Allowance		
Travelling	6,139	
Subsistence	2,206	
Telephone		
Total	605,095	42,217

Notes AFS

DIRECTOR: STRATEGIC SERVICES AND ECONOMIC DEVELOPMENT: P R ESAU

From 1 October 2006

Salary	384,500	220,500
Bonus	27,728	
Travel Allowance	143,903	104,940
Performance Bonus	31,946	24,281
Pension	69,210	39,690
Medical Contribution	10,814	8,111
U.I.F.		1,050
Total	668,101	398,572

27 REMUNERATION OF COUNCILLORS

EXECUTIVE MAYOR: S J NGONYAMA

Allowance	350,472	368,976
Transport	116,824	127,524
Telephone/Cell phone	14,400	13,404
Pension fund		86,599
Sundry	11,218	
	492,914	596,503

DEPUTY EXECUTIVE MAYOR: C J GROOTBOOM

Allowance	280,377	94,015
Transport	93,459	31,221
Telephone/Cell phone	14,400	4,847
Pension fund		26,929
Medical aid		18,733
Sundry	1,440	
	389,676	175,744

DEPUTY EXECUTIVE MAYOR: W P HORNE

Until 27 February 2007

Allowance		198,451
Transport		69,804
Telephone/Cell phone		8,456
Pension fund		40,385
		317,096

SPEAKER: M W H DU PREEZ

Allowance	280,377	294,844
Transport	93,459	101,935
Telephone/Cell phone	14,400	13,404
Pension fund		19,278
Sundry	1,440	
	389,676	429,461

MEMBER OF EXECUTIVE MAYORAL COMMITTEE: C O MATTHYS

Until 31 July 2007

Allowance	20,376	276,316
Transport	6,792	95,538
Telephone/Cell phone	1,117	13,404
Pension fund		64,950
Medical aid		2,668
Sundry	3,030	
	31,315	452,876

MEMBER OF EXECUTIVE MAYORAL COMMITTEE: O SIMPSON

Allowance	262,854	85,467
Transport	87,618	28,488
Telephone/Cell phone	14,400	4,779
Pension fund		24,572
Medical aid		17,093
Sundry	2,503	
	367,375	160,399

Notes AFS

MEMBER OF EXECUTIVE MAYORAL COMMITTEE: E J VOLLENHOVEN

From 10 August 2007

Allowance	235,379	
Transport	78,460	
Telephone/Cell phone	12,919	
Sundry	1,324	
	<u>328,081</u>	

MEMBER OF EXECUTIVE MAYORAL COMMITTEE: T M VAN DER MERWE

Until 16 Februarie 2007

Allowance		185,948
Transport		65,423
Telephone/Cell phone		8,456
		<u>259,827</u>

OTHER COUNCILLORS

Allowance	1,784,637	1,256,282
Transport	525,818	413,665
Telephone/Cell phone		125,589
Pension fund		(293,164)
Medical aid		(40,484)
	<u>2,310,455</u>	<u>1,461,888</u>

Total Councillors' Remuneration

4,216,902 3,853,794

In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Mayoral Committee members and Speaker are full-time. Each is provided with an office and secretarial support at the cost of the Council.

28 INTEREST PAID

Long-term liabilities	4,386,022	3,447,357
Overdraft Facilities		
Total Interest on External Borrowings	<u>4,386,022</u>	<u>3,447,357</u>

29 BULK PURCHASES

Water	1,105,506	1,114,736
Electricity	49,877,300	46,399,994
Total Bulk Purchases	<u>50,982,806</u>	<u>47,514,730</u>

30 GRANTS AND SUBSIDIES PAID

Free Basic Services	7,238,310	4,739,337
Total Grants and Subsidies	<u>7,238,310</u>	<u>4,739,337</u>

31 GENERAL EXPENSES

General Expenses	<u>26,377,715</u>	<u>22,794,558</u>
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General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial performance. This include items such as telecommunications, travelling, legal fees, auditing fees and consulting fees.

Notes AFS

32 SURPLUS OF ASSOCIATE

The municipality has got no shares in associates

33 CHANGE IN ACCOUNTING POLICY IN TERMS OF GRAP 3 -

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GAMAP: -

Statutory Funds

Balance previously reported: -

Revolving Fund	37,898,554
Loan Redemption Fund	249,559

Total	38,148,113
--------------	-------------------

Implementation of GAMAP

Transferred to the Capital Replacement Reserve	37,898,554
Transfer to Accumulated Surplus/deficit - See Note 33.8 below	249,559
Total	38,148,113

Loans Redeemed and Other Capital Receipts

Balance previously reported	207,108,241
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Implementation of GAMAP

Outstanding Internal Loans Transfer to Capitalisation Reserve	55,919,886
Transferred to Government Grant Reserve	66,541,709
Transferred to Government Grant Reserve - Intangible Assets	5,118
Transfer to Accumulated Surplus/deficit - See Note 33.8 below	84,641,529
Total	207,108,241

Provisions and Reserves

Balance previously reported	4,477,292
------------------------------------	------------------

Staff Leave	4,477,292
Total	4,477,292

Implementation of GAMAP

Transfer to Trade Payables - Staff Leave	4,477,292
	4,477,292

Long-term Liabilities

Balance previously reported

Implementation of GAMAP	23,636,122
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Transfer to Accumulated Surplus/deficit - See Note 33.8 below

Leases previously not recognised	745,277
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Total	24,381,399
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CHANGE IN ACCOUNTING POLICY IN TERMS OF GRAP 3 -

Non-current provisions

Balance previously reported

Implementation of GAMAP	-
--------------------------------	---

Transfer from Accumulated Surplus/deficit - See Note 33.8 below

Rehabilitation of Landfill-sites at cost	3,600,540
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(GAMAP 19). - Note 4	3,600,540
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Total	3,600,540
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Notes AFS

Property, plant and equipment - GAMAP 17

Balance previously reported

260,170,804

Implementation of GAMAP

Property, Plant and Equipment previously not recognised credited to Accumulated Surplus - Note 33.8

159,708,595

Property, Plant and Equipment previously not recognised credited to Non-Current Provisions - Note 33.5

3,600,540

Property, Plant and Equipment transferred to Investment Properties - Note 13

-

Property, Plant and Equipment transferred to Intangible Assets - Note 14

-10,049

Property, Plant and Equipment financed through leases previously not recognised - Note 11

1,474,100

Total

424,943,990

Accumulated Depreciation - GAMAP 17

Balance previously reported

-

Implementation of GAMAP

Backlog depreciation: Land and buildings

-43,243,827

Backlog depreciation: Infrastructure

-40,040,856

Backlog depreciation: Community

-35,537,513

Backlog depreciation: Leased assets

-824,113

Backlog depreciation: Other

-24,005,246

Total (debited to Government Grant Reserve) (see SOCNA)

Transfer to Accumulated Surplus/deficit - See Note 33.8 below

-143,651,556

Accumulated Surplus/(Deficit)

Implementation of GAMAP

Excessive provisions and reserves no longer permitted - Note 33.3

0

Non-current provisions previously not recognised - Note 33.5

-3,600,540

Leased assets - Redemption previously recognised as expenditure - Note 3

728,823

Transferred from statutory funds - Note 33.1

249,559

Transferred from Loans Redeemed and Other Capital Receipts - Note 33.2

84,641,529

Property, Plant and Equipment previously not recognised credited to Accumulated

Surplus - Note 33.6

159,708,595

Property, Plant and Equipment previously not recognised credited to Accumulated

Surplus - Note 33.6

3,600,540

Backlog depreciation - Note 33.7

-143,651,556

Total

101,676,950

Notes AFS

34 CORRECTION OF ERROR IN TERMS OF GRAP 3

Prior year adjustments

Taxes

Balance previously reported

4,017,520

Implementation of GAMAP

VAT previously not recognised credited
to Accumulated Surplus - Note 34.2

-1,525,720

Total

2,491,801

Accumulated Surplus/(Deficit)

VAT previously not recognised credited
Depreciation difference with asset

1,525,720

-11

Total

1,525,708

Capital Replacement Reserve

Balance previously reported

29,451,578

Amount understated

254,696

Total

29,706,274

35 CASH GENERATED BY OPERATIONS

Surplus for the year	12,538,453	26,497,918
Adjustment for:-		
Depreciation	19,328,989	16,476,853
Amortisation of Intangible Assets	94,795	13,387
Loss (Gain on disposal of property, plant and equipment)	3,348,546	(3,280,139)
Adjustments to VAT	-	1,525,720
Contribution from provisions	(3,088,475)	(1,684,188)
Contribution to provisions – current	3,718,842	3,341,496
Contributed Property, Plant and Equipment	-	-
Investment income	(8,746,970)	(6,243,700)
Interest paid	4,386,022	3,447,357
Operating surplus before working capital	31,580,202	40,094,705
(Increase)/Decrease in inventories	(1,138,744)	(698,895)
(Increase)/decrease in debtors	(1,832,295)	3,707,808
(Increase)/decrease in other debtors	431,891	(830,165)
(Decrease)/increase in unspent conditional grants and receipts	(1,305,558)	(733,152)
Decrease/(increase) in unpaid conditional grants and receipts	(544,608)	434,494
Increase(decrease) in creditors	2,090,424	(4,847,999)
(Increase)/decrease in VAT	(42,519)	(1,457,886)
Cash generated by/(utilised in)	29,238,792	35,668,909

36 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following :

Bank balances and cash	68,669,312	74,220,744
Bank overdraft	-	-
Total cash and cash equivalents	68,669,312	74,220,744

37 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term liabilities - Note 3	31,522,364	33,184,163
Used to finance property, plant and equipment		
– at cost	<u>31,522,364</u>	<u>33,184,163</u>
Sub- total	-	-
Cash set aside for the repayment of long-term liabilities	<u>260,390</u>	<u>260,390</u>
Cash invested for repayment of long-term liabilities	<u>260,390</u>	<u>260,390</u>

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

38 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

There were no fruitless- or wasteful expenditure during the year.

The financial statements for 2007 / 2008 were drawn up according to the GRAP standards but the budget were drawn up according to IMFO standrds. The depreciation of assets as applied according to GRAP standards resulted in the budget of certain functional areas being overspent by a total of R 4,748,062. The total operating expenditure for the 2007/2008 financial year of R 197 857 276 is still below the total budget of R 201 317 027 for the said period. The overspending on certain functional areas was approved by the Council on 26 November 2008.

Notes AFS

39 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

Contributions to organized local

Opening balance	-	-
Council subscriptions	229,948	186,508
Amount paid - current year	(229,948)	(186,508)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

Audit fees

Opening balance	-	-
Current year audit fee	1,243,510	368,452
Amount paid - current year	(1,243,510)	(368,452)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

Pension and Medical Aid Deductions

Opening balance	-	-
Current year payroll deductions and Council Contributions	9,585,781	8,121,781
Amount paid - current year	(9,585,781)	(8,121,781)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

Councillor's arrear consumer accounts

There were no Councillors who were in arrears for more than 90 days during the year.

Non-Compliance with Chapter 11 of the Municipal Finance Management Act

The following purchases were made during the year where Councillors or staff have an interest:

Commission on electricity sales paid to S & L Dienste where Councillor L H de Koker has an interest		30,880
Purchases from Berry Bright Trading & Investment/ Vinn Investments Nr 17, where the spouse of the former Municipal Manager has an interest	4,580	6,525

40 CAPITAL COMMITMENTS

- Approved but not yet contracted for	57,302,000	49,145,747
Infrastructure	29,977,000	27,249,480
Community	24,701,000	18,223,109
Other	2,624,000	3,673,158
Total	57,302,000	49,145,747

This expenditure will be financed from:

- External Loans	11,040,000	
- Capital Replacement Reserve	21,128,000	23,794,069
- Government Grants	25,134,000	22,285,649
- Other	-	2,727,000
- District Council Grants	-	339,029
	57,302,000	49,145,747

41 RETIREMENT BENEFIT INFORMATION

Council employees contribute to the Cape Joint Municipal Pension Fund and SAMWU National Provident Fund which is defined contribution funds. Some employees contribute to the South African Local Authorities Pension Fund which is a defined benefit fund. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs. Full actuarial valuations are performed at least every five years. The last valuation was done on 31 March 2005.

An amount of R 7 456 134.63 was contributed by Council in respect of Councillors' and employees' retirement funding. These contributions have been expensed.

42 FINANCIAL RISK MANAGEMENT

Financial Risk Management

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising Currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign exchange currency risk

The municipality does not engage in foreign currency transactions.

(b) Interest rate Risk

The Municipality is mainly exposed to interest rate risk due to the movements in long-term and short term interest rates. This risk is managed on an ongoing basis.

Notes AFS

(c) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly from cash and cash equivalents, instruments and deposits with banks and financial institutions, as well as credit exposures to consumer and grant debtors.

For banks and financial institutions, only independently rated parties with a minimum rating of 'B+' are accepted. Grants are receivable from higher order levels of government. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. This increases the credit risk in respect of consumer debtors. The risk of non-payment is managed on an ongoing basis and where practical, services are terminated and procedures applied to recover outstanding amounts owing and an appropriate level of impairment provision for default is maintained.

(d) Liquidity Risk

Liquidity risk is the risk that the municipality will encounter difficulty in raising funds to meet commitments associated with financial liabilities.

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

The financial liabilities of the municipality are backed by appropriate assets and it has adequate liquid resources. The Council monitors the cash projections and by ensuring that borrowing facilities are available to meet its cash requirements.

43 EVENTS AFTER THE REPORTING DATE

During the period 11 to 13 November 2008 the Breede River Winelands Municipality experienced persistent rain.

The following estimated damage occurred:

Roads & Bridges	3,750,000
Storm water	5,000
Sewerage networks and treatment plants	480,000
Water networks and treatment plants	480,000
Environmental Services	605,200
Electricity	646,005
Libraries	2,000
Swimming Pools	43,000
Total Damage	<u><u>6,011,205</u></u>

44 CONTINGENT LIABILITY

None

45 Related Parties

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

46 Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph

- Financial Instruments: Recognition and Measurement (AC133) Initially measuring financial assets and liabilities at fair value. [SAICA Circular 09/06 paragraphs 43, AG 79, AG 64 and AG 65 of AC 133]
- Financial Instruments: Disclosure (AC144) Entire standard to be replaced by IAS 32 (AC 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998.
- Segment Reporting (AC115) Entire Standard
- Operating Segments (AC146) Entire Standard
- Construction Contracts (AC109) Entire Standard
- Business Combinations (AC140) Entire Standard
- Accounting for Government Grants and Disclosure of Government Assistance (AC134) Entire standard excluding paragraphs 24 and 26, replaced by paragraph 08 of GAMAP 12, paragraph 25 of GAMAP 17 and paragraphs 42 – 46 of GAMAP 9.

47 Process to comply fully with the implementation of General Recognised

The municipality adopted a phased-in approach in order to comply fully with the implementation of GRAP. The municipality is classified by the National Treasury as a low capacity municipality and must comply with GRAP by 30 June 2010. The municipality, however, took advantage of transitional provisions and implement GRAP at an earlier date in order to ensure more reliant financial reporting. The implementation plan for full compliance with the requirements of GRAP is listed in Appendix "G".

Property, Plant and Equipment

30 June 2008

Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Leased Assets	Other	Total
	R	R	R		R	R
Carrying values at 1 July 2007	99,728,192	140,352,836	36,707,057	331,980	34,321,648	311,441,714
Cost	146,330,692	187,760,522	74,358,182	1,474,100	61,650,746	471,574,242
Change in accounting policy - Note 33	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Accumulated depreciation	(46,602,500)	(47,407,686)	(37,651,125)	(1,142,120)	(27,329,098)	(160,132,528)
- Cost	(46,602,500)	(47,407,686)	(37,651,125)	(1,142,120)	(27,329,098)	(160,132,528)
Change in accounting policy - Note 33	0	0	0	0	0	0
- Revaluation	0	0	0	0	0	0
Acquisitions	5,120,923	21,819,504	1,580,294	55,000	9,824,380	38,400,101
Donated vehicles and equipment - At cost	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
At Cost	0	0	0	0	0	0
Accumulated Depreciation	0	0	0	0	0	0
Depreciation **	(3,447,561)	(9,402,328)	(2,140,433)	(305,478)	(4,033,200)	(19,329,001)
- based on cost	(3,447,561)	(9,402,328)	(2,140,433)	(305,478)	(4,033,200)	(19,329,001)
- Backlog on previously not recorded	(4,854,135)	0	(899)	0	(95,255)	(4,950,290)
Carrying value of disposals	(7,952,000)	0	(2,000)	(1,315,000)	(543,504)	(9,812,504)
Cost/revaluation	3,097,865	0	1,101	1,315,000	448,249	4,862,214
Accumulated depreciation	0	0	0	0	0	0
Impairment losses	0	0	0	0	0	0
Adjustments through profit and loss	0	0	0	0	0	0
At cost	0	0	0	0	0	0
Accumulated depreciation	0	0	0	0	0	0
Carrying values at 30 June 2008	96,547,418	152,770,012	36,146,019	81,502	40,017,573	325,562,524
Cost	96,547,418	152,770,012	36,146,019	81,502	40,017,573	325,562,524
Revaluation	143,499,614	209,580,026	75,936,476	214,100	70,931,622	500,161,838
Accumulated depreciation	(46,952,197)	(56,810,014)	(39,790,457)	(132,598)	(30,914,049)	(174,599,315)
- Cost	(46,952,197)	(56,810,014)	(39,790,457)	(132,598)	(30,914,049)	(174,599,315)
- Revaluation	0	0	0	0	0	0

Property, Plant and Equipment (continued)

30 June 2007

Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Leased Assets	Other	Total
	R	R	R		R	R
Carrying values at 1 July 2006	100,270,075	112,005,267	38,245,913	649,987	30,121,192	281,292,434
Cost	143,513,902	152,046,123	73,783,426	1,474,100	54,126,438	424,943,990
Change in accounting policy - Note 33						
Revaluation	0	0	0	0	0	0
Accumulated depreciation	(43,243,827)	(40,040,856)	(35,537,513)	(824,113)	(24,005,246)	(143,651,556)
- Cost	(43,243,827)	(40,040,856)	(35,537,513)	(824,113)	(24,005,246)	(143,651,556)
Change in accounting policy - Note 33						
- Revaluation	0	0	0		0	0
Acquisitions						
Donated vehicles and equipment - At cost	2,816,790	35,714,399	574,756	0	7,520,189	46,626,133
Transfers	0	0	0		0	0
At Cost	0	0	0	0	0	0
Accumulated Depreciation	0	0	0		0	0
Depreciation	(3,358,673)	(7,366,830)	(2,113,612)	(318,007)	(3,319,733)	(16,476,853)
- based on cost	(3,358,673)	(7,366,830)	(2,113,612)	(318,007)	(3,319,733)	(16,476,853)
- Backlog on previously not recorded						
Carrying value of disposals	0	0	0		0	0
Cost/revaluation	0	0	0		0	0
Accumulated depreciation	0	0	0		0	0
Impairment losses	0	0	0		0	0
Adjustments through profit and loss	0	0	0		0	0
At cost	0	0	0		0	0
Accumulated depreciation	0	0	0			0
Carrying values at 30 June 2007	99,728,192	140,352,836	36,707,057	331,980	34,321,649	311,441,714
Cost	99,728,192	140,352,836	36,707,057	331,980	34,321,648	311,441,714
Revaluation	146,330,692	187,760,522	74,358,182	1,474,100	61,650,746	471,574,242
Accumulated depreciation	(46,602,500)	(47,407,686)	(37,651,125)	(1,142,120)	(27,329,098)	(160,132,528)
- Cost	(46,602,500)	(47,407,686)	(37,651,125)	(1,142,120)	(27,329,098)	(160,132,528)
- Revaluation	0	0	0	0	0	0

Property, Plant and Equipment (continued)

Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.

The leased property, plant and equipment is secured as set out in Note 3.

The Municipality identified other properties, plant and equipment, with opening balances and adjustments during the year.

The Municipality has taken advantage of the transitional provisions set out in GAMAP 17. The Municipality is in the process of itemizing all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2009. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records.

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the notice.

- Property, Plant and Equipment (GAMAP 17) Review of useful life of item of PPE recognised in the annual financial statements. [Paragraphs 59-61 and 77]
- Property, Plant and Equipment (GAMAP 17) Review of the depreciation method applied to PPE recognised in the annual financial statements. [Paragraphs 62 and 77]
- Property, Plant and Equipment (GAMAP 17) Impairment of non-cash generating assets. [Paragraphs 64-69 and 75(e)(v) – (vi)]
- Property, Plant and Equipment (GAMAP 17) Impairment of cash generating assets. [Paragraphs 63 and 75(e)(v) – (vi)]
- Impairments of Assets (AC 128) Entire Standard
- Investment Property (AC 135) The entire standard to the extent that property is accounted for in terms of GAMAP 17.
- Investment Property (AC 135) Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised investment property in terms of this standard. [Paragraphs 79(e)(i) – (iii)]
- Intangible Assets (AC 129) The entire standards except for the recognition, measurement and disclosure of the computer software and website costs (AC 432) and all other costs were expensed.
- Non-current Assets Held for Sale and Discontinued Operations (AC142) Classification, measurement and disclosure of non-current assets held for sale. [paragraphs 6-14, 15-29 (in so far as it relates to non-current assets held for sale), 38-42]

**APPENDIX A
BREEDER RIVER WINELANDS MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2008**

EXTERNAL LOANS	Rate	Redeemable	Balance at	Received	Redeemed	Balance at	Cost Value of	Other Costs
			30/06/07	during the	written off	30/06/08	Property,	
			R	R	R	R	Plant & Equip	
LONG-TERM LOANS			0	0	0	0	0	R
			0	0	0	0	0	R
			0	0	0	0	0	R
Total long-term loans								
ANNUITY LOAN								
Development Bank of Southern Africa	17.10%	2000-2019	62,170		5,051	57,119	100,000	0
Development Bank of Southern Africa	16.50%	1999-2018	36,195		924	35,271	40,000	
Development Bank of Southern Africa	17.10%	2000-2019	373,018		30,305	342,713	600,000	
Development Bank of Southern Africa	17.10%	2000-2019	264,221		21,466	242,755	425,000	
C B R		08/93-07/17	37,686			37,686	63,360	
Development Bank of Southern Africa	16.50%	1999-2018	104,772		6,651	98,121	288,000	
Development Bank of Southern Africa			2,108		843	1,265	4,216	
Development Bank of Southern Africa			45,615		18,246	27,369	91,230	
Development Bank of Southern Africa	16.52%	1999-2018	100,722		7,529	93,194	150,000	
Development Bank of Southern Africa	17.10%	2000-2019	96,908		7,576	89,332	150,000	
Development Bank of Southern Africa	16.52%	2001-2020	124,224		9,285	114,939	185,000	
Development Bank of Southern Africa	16.50%	1999-2018	142,066		3,625	138,440	157,000	
Development Bank of Southern Africa	16.52%	2001-2020	201,444		15,057	186,387	300,000	
Development Bank of Southern Africa	17.10%	2000-2019	62,170		5,051	57,119	100,000	
Development Bank of Southern Africa	17.10%	2000-2019	166,682		13,031	153,651	258,000	
Development Bank of Southern Africa	17.10%	2000-2019	311,399		24,345	287,054	482,000	
Development Bank of Southern Africa	14.00%	1998-2018	427,107		16,397	410,710	499,999	
Development Bank of Southern Africa	17.10%	2000-2019	80,757		6,314	74,443	125,000	
Development Bank of Southern Africa	16.52%	06/03-06/08	26,903		1,590	25,314	31,672	
Development Bank of Southern Africa	10%	1996/2016	54,376		3,078	51,298	60,000	
Development Bank of Southern Africa	10%	1996/2016	20,391		1,154	19,236	22,500	
Development Bank of Southern Africa	16%	1999-2019	121,896		3,841	118,055	136,090	
Development Bank of Southern Africa	15.75%	1999-2018	1,787,716		61,153	1,726,563	2,175,459	
Development Bank of Southern Africa	17.10%	2000-2019	64,606		5,051	59,555	100,000	
Development Bank of Southern Africa			25,974		10,390	15,584	51,948	
Cape Amalgamated Joint Pension Fund	15.10%	1982-12/12	324,920			324,920	324,920	
Unibank	15.25%	1983-12/12	23,246		2,947	20,300	41,262	
Development Bank of Southern Africa	14.00%	1998-2018	723,147		28,520	694,627	850,000	
Local Authorities Loans Fund	13.30%	1983-2012	346,179		46,070	300,109	668,355	
Local Authorities Loans Fund	13.75%	1984-2014	616,714		56,886	559,827	1,000,000	
Development Bank of Southern Africa	16%	1999-2019	1,055,361		31,584	1,023,777	1,172,085	
Development Bank of Southern Africa	16.50%	2000-2019	1,261,773		34,181	1,227,592	1,724,100	
Development Bank of Southern Africa	15.75%	1999-2018	1,787,716		61,153	1,726,563	2,175,459	
Development Bank of Southern Africa			261,781		15,480	246,301	300,000	
Development Bank of Southern Africa			175,000		70,000	105,000	350,000	

APPENDIX A (continued)
BREEDE RIVER WINELANDS MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2008

EXTERNAL LOANS	Rate	Redeemable	Balance at 30/06/07	Received during the period	Redeemed written off during the period	Balance at 30/06/08	Cost Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
			R	R	R	R	R	R
Development Bank of Southern Africa			5,914,181			5,914,181	5,914,181	
Development Bank of Southern Africa			2,475,732			2,475,732	2,475,732	
Development Bank of Southern Africa			2,175,021			2,175,021	2,175,021	
Development Bank of Southern Africa	16.50%	1999-2018	269,629		6,881	262,748	298,000	
Development Bank of Southern Africa	16.50%	2000-2019	64,606		5,051	59,555	100,000	
Development Bank of Southern Africa	16.52%	2001-2020	94,007		7,027	86,981	140,000	
Development Bank of Southern Africa	16.52%	2001-2020	80,578		6,023	74,555	120,000	
Development Bank of Southern Africa			30,552		12,221	18,331	61,104	
Development Bank of Southern Africa			52,001		20,800	31,201	104,002	
Development Bank of Southern Africa	17.10%	2000-2019	314,299		25,534	288,765	505,550	
Development Bank of Southern Africa	17.10%	2000-2019	74,604		6,061	68,543	120,000	
Local Authorities Loans Fund	16.15%	1991-2011	10,647		2,073	8,574	22,000	
Development Bank of Southern Africa	12.00%	1995-2015	29,110		1,667	27,443	37,436	
Development Bank of Southern Africa	16%	1999-2019	63,188		2,500	60,688	72,433	
Development Bank of Southern Africa	16%	1999-2019	375,797		11,843	363,954	419,561	
Development Bank of Southern Africa	15.75%	1999-2018	1,145,071		39,832	1,105,238	1,417,000	
Development Bank of Southern Africa	13.29%	1994-2009	34,477		16,123	18,354	130,000	
Development Bank of Southern Africa			49,068		19,627	29,441	98,135	
Development Bank of Southern Africa			49,068		19,627	29,441	98,135	
Development Bank of Southern Africa	13%	2001-2020	2,857,410		211,660	2,645,750	4,500,000	
Development Bank of Southern Africa	16.50%	2000-2019	2,486,829		67,367	2,419,461	3,398,029	
Development Bank of Southern Africa	17.10%	2000-2020	1,495,804		115,062	1,380,742	2,301,237	
Local Authorities Loans Fund	16.15%	1991-2011	250,100		48,694	201,405	501,769	
Development Bank of Southern Africa		1996-2016	118,719		6,720	111,999	131,000	
Local Authorities Loans Fund	13.22%	1994-2014	58,557		5,498	53,060	91,364	
Development Bank of Southern Africa			218,150		12,900	205,251	250,000	
Development Bank of Southern Africa			634,419		35,603	598,816	690,000	
Development Bank of Southern Africa			45,615		18,246	27,369	91,230	
Total annuity loans			32,784,200	-	1,349,411	31,434,789	41,465,573	0
LEASE LIABILITY								
Finance Leases	11,72%-12,07%	2009	399,952	55,000	367,377	87,575	1,422,100	0
Total Lease Liabilities			399,952	55,000	367,377	87,575	1,422,100	0
TOTAL EXTERNAL LOANS			33,184,152	55,000	1,716,788	31,522,364	42,887,673	0

**APPENDIX B
BREEDERIVER WINELANDS MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2008**

	Cost/Revaluation				Accumulated Depreciation				Carrying Value	
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals income		Closing Balance
Land and Buildings										
Erven	30,070,000	-	-	1,402,000	28,668,000	-	-	-	-	28,668,000
Erven & houses	101,608,200	-	-	6,310,000	95,298,200	46,553,676	3,304,454	3,097,865	46,760,266	48,537,934
Housing projects	4,281,492	5,120,923	-	-	9,402,414	48,823	143,107	-	191,931	9,210,484
	135,959,692	5,120,923	-	7,712,000	133,368,614	46,602,500	3,447,561	3,097,865	46,952,197	86,416,418
Infrastructure										
Sub stations	28,537,320	1,243,137	-	-	29,780,457	9,111,880	960,605	-	10,072,486	19,707,972
Dumping sites	-	-	-	-	-	-	-	-	-	-
Transformer buildings	76,202	-	-	-	76,202	25,243	2,547	-	27,790	48,412
Lasbeheer toerusting	1,361,368	-	-	-	1,361,368	533,813	68,255	-	602,068	759,301
"Switchgear" toerusting	316,708	792,791	-	-	1,109,498	127,850	14,184	-	142,034	967,464
Elek Meters	775,550	1,112,640	-	-	1,888,190	38,778	38,884	-	77,661	1,810,529
Voorsiening/Netwerk	25,826,494	1,960,533	-	-	27,787,026	7,521,156	1,325,131	-	8,846,286	18,940,740
Meters	-	-	-	-	-	-	-	-	-	-
Hoofnetwerke	51,264,639	159,117	-	-	51,423,756	11,681,872	2,527,314	-	14,209,187	37,214,569
Voorsiening	3,600,540	-	-	-	3,600,540	1,356,234	425,029	-	1,781,263	1,819,277
Randstene	302,000	-	-	-	302,000	144,536	15,141	-	159,677	142,323
Reservoirs, damme & tenke	4,930,690	1,786,401	-	-	6,717,091	2,500,381	207,100	-	2,707,481	4,009,610
Sanitasie	1,041,878	-	-	-	1,041,878	208,376	52,237	-	260,612	781,266
Suivering	5,675,564	343,630	-	-	6,019,194	2,615,897	252,217	-	2,868,114	3,151,080
Waterpompe	1,100	74,357	-	-	75,457	170	4,066	-	4,235	71,222
Hoofpaai	1,795,895	-	-	-	1,795,895	536,594	120,054	-	656,648	1,139,247
Strate	10,143,351	5,020,634	-	-	15,163,985	3,840,268	824,560	-	4,664,828	10,499,157
Straatligte	316,912	29,162	-	-	346,074	35,026	12,711	-	47,737	298,336
Stormwaternetwerke	2,771,898	2,273,841	-	-	5,045,739	740,308	142,742	-	883,050	4,162,689
Parkeerterreine	1,100,191	135,964	-	-	1,236,155	375,896	55,160	-	431,056	805,098
Sypaadjes	5,120,797	46,806	-	-	5,167,604	558,250	254,235	-	812,485	4,355,119
Padtekens/Inligtingsbord	106,524	2,885	-	-	109,409	7,108	7,459	-	14,567	94,842
Rioolnetwerk	9,211,435	6,579,374	-	-	15,790,809	3,174,439	409,896	-	3,584,335	12,206,474
Uitvalwerke	108,868	-	-	-	108,868	5,443	5,458	-	10,902	97,967
Suiveringswerke	33,272,430	226,344	-	-	33,498,774	2,238,512	1,668,653	-	3,907,165	29,591,609
Rioolpompe	102,167	31,889	-	-	134,056	29,657	8,689	-	38,346	95,710
	187,760,522	21,819,504	-	-	209,580,026	47,407,686	9,402,328	-	56,810,014	152,770,012

APPENDIX B (Continued)

	Cost/Revaluation				Accumulated Depreciation				Carrying Value	
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals income		Closing Balance
Community Assets										
Bewaarskole	2,267,807	-	-	-	2,267,807	641,787	75,801	-	717,588	1,550,219
Gemeenskapsale	8,843,843	-	-	-	8,843,843	3,626,624	252,551	-	3,879,176	4,964,667
Klinieke	4,807,337	-	-	-	4,807,337	1,625,286	160,416	-	1,785,702	3,021,635
Biblioteke	3,623,421	-	-	-	3,623,421	1,435,220	110,182	-	1,545,402	2,078,019
Begraafplase	657,996	459,365	-	-	1,117,361	162,515	23,422	-	185,937	931,424
Brandweerstasies	575,604	185,541	-	-	761,145	16,520	19,239	-	35,759	725,385
Museums	1,167,000	-	-	-	1,167,000	373,992	39,007	-	412,999	754,001
Sportterreine	7,343,244	557,381	-	2,000	7,898,625	4,354,053	244,539	1,101	4,597,491	3,301,133
Servitute	42,800	-	-	-	42,800	9,676	1,431	-	11,107	31,693
Parke	10,408,700	119,536	-	-	10,528,236	7,344,246	313,360	-	7,657,606	2,870,630
Wandelpaai	1,007,883	-	-	-	1,007,883	88,899	50,532	-	139,432	868,451
Quetehuis	611,000	-	-	-	611,000	168,843	20,422	-	189,266	421,734
Swembaddens	3,007,836	182,606	-	-	3,190,442	1,402,869	153,020	-	1,555,889	1,634,553
Vakansie-oorde & kampeerterrei	647,506	44,560	-	-	692,066	643,482	577	-	644,059	48,007
Tennisbane	136,418	-	-	-	136,418	68,946	6,840	-	75,786	60,632
Golfbane/Muurbal	215,000	-	-	-	215,000	66,002	10,779	-	76,782	138,218
Geboue	42,782	31,305	-	-	74,088	11,413	1,587	-	13,000	61,088
Gemeenskap Grond	-	-	-	-	-	-	-	-	-	-
Rolbalbane	-	-	-	-	-	-	-	-	-	-
Vredeskruis	-	-	-	-	-	-	-	-	-	-
Meent	28,266,277	-	-	-	28,266,277	15,481,304	633,808	-	16,115,112	12,151,165
Geboue/Omheinings	136,769	-	-	-	136,769	4,863	4,571	-	9,434	127,335
Aanloopbaan	-	-	-	-	-	-	-	-	-	-
Ruimtelike Ontwikkelingsraamwer	548,959	-	-	-	548,959	124,582	18,349	-	142,931	406,028
	74,358,182	1,580,294	-	2,000	75,936,476	37,651,125	2,140,433	1,101	39,790,457	36,146,019
Heritage Assets										
Historical Buildings	-	-	-	-	-	-	-	-	-	-
Painting & Art Galleries	-	-	-	-	-	-	-	-	-	-
Total carried forward	398,078,396	28,520,721	-	7,714,000	418,885,117	131,661,311	14,990,323	3,098,965	143,552,668	275,332,449

APPENDIX B (Continued)

Total brought forward	398,078,396	28,520,721	-	7,714,000	418,885,117	131,661,311	14,990,323	3,098,965	143,552,668	275,332,449
Housing Rental Stock	-	-	-	-	-	-	-	-	-	-
Housing Rentals	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Office Equipment (Lease)	1,474,100	55,000	-	1,315,000	214,100	1,142,120	305,478	1,315,000	132,598	81,502
	1,474,100	55,000	-	1,315,000	214,100	1,142,120	305,478	1,315,000	132,598	81,502
Other Assets										
Los Bates	-	-	-	-	-	-	-	-	-	-
Rekenaartoerusting	1,985,201	486,190	-	120,123	2,351,268	1,217,183	310,586	118,857	1,408,912	942,355
Drukkers	448,070	80,692	-	27,718	501,044	315,226	61,841	27,718	349,349	151,695
LAN / WAN Toerusting	209,535	112,482	-	11,740	310,277	153,064	19,716	9,068	163,712	146,566
Rekenaarsageware	-	-	-	-	-	-	-	-	-	-
UPS	292,045	-	-	2,105	289,940	201,695	27,355	1,167	227,884	62,056
Kantoormasjiene	93,521	5,814	-	1,296	98,039	68,882	7,463	1,296	75,049	22,990
Lugreëlaars	70,767	84,604	-	-	155,371	8,787	23,998	-	32,785	122,586
Digitale Kameras	18,456	9,675	-	-	28,131	8,968	5,285	-	14,253	13,878
Tafels / Lessenare / Laaie	264,535	71,927	-	-	336,462	120,935	51,726	-	172,662	163,801
Stoele / Banke / Toonbanke	226,804	121,320	-	60	348,064	99,546	51,541	60	151,026	197,038
Kabinette / Kaste / Rakke	363,633	55,027	-	-	418,659	192,181	55,644	-	247,826	170,834
Elektriese toestelle	110,627	35,993	-	3,738	142,883	60,910	19,572	3,403	77,079	65,803
Allerlei	28,400	31,497	-	10	59,887	15,619	6,586	10	22,195	37,692
Portrette/Skilderye	-	2,085	-	-	2,085	-	294	-	294	1,791
Voetbanke	-	-	-	-	-	-	-	-	-	-
Gordyne / Blindings	1,231	109,623	-	-	110,853	53	825	-	879	109,974
Kantoorafskortings	-	4,583	-	-	4,583	-	367	-	367	4,217
Teken- / Swartborde	2,176	937	-	-	3,113	1,084	364	-	1,448	1,664
Vertoon- en Witborde	24,476	3,439	-	-	27,915	2,693	2,941	-	5,634	22,281
Brandblussers	-	-	-	-	-	-	-	-	-	-
Allerlei noodtoerusting	195,818	88,938	-	-	284,755	16,729	46,668	-	63,397	221,358
Bakkies / Kappies	3,229,976	1,681,212	-	108,700	4,802,489	2,324,597	430,817	108,700	2,646,714	2,155,774
Ander passasiersvoertuie	28,000	228,070	-	-	256,070	28,000	4,374	-	32,374	223,696
Vragmotors	6,888,877	572,455	-	152,398	7,308,934	2,719,375	603,393	103,078	3,219,690	4,089,245
Brandweervoertuie	2,138,052	2,935,566	-	-	5,073,618	292,788	311,886	-	604,674	4,468,945
Fietse	-	-	-	-	-	-	-	-	-	-
Tenk op Voertuig	128,603	-	-	-	128,603	26,496	12,896	-	39,391	89,212
Kragopwekkers	67,103	392,339	-	-	459,442	31,394	17,929	-	49,324	410,118
Trekkers	1,302,418	418,000	-	20,000	1,700,418	697,514	77,357	7,430	767,440	932,977
Waens	731,280	-	-	-	731,280	207,570	48,638	-	256,208	475,072

APPENDIX B (Continued)

Kompakteerders	1,885,978	16,179	-	-	1,902,157	281,042	188,863	-	469,905	1,432,252
Rollers	41,167	-	-	-	41,167	26,377	2,995	-	29,372	11,795
Sementmengers	35,015	43,291	-	-	78,306	25,686	6,339	-	32,025	46,281
Plaas masjienerie / implemente	204,990	-	-	-	204,990	204,990	-	-	204,990	-
Algemene Gereedskap	76,619	3,140	-	-	79,759	76,234	596	-	76,830	2,929
Bank-/Hoekslipys	14,135	-	-	-	9,208	11,246	1,293	4,435	8,103	1,105
Co-Driver Units	-	-	-	-	-	-	-	-	-	-
Algemene Toerusting	74,571	6,978	-	-	73,197	47,231	10,559	6,281	51,509	21,688
Kompressors	160,258	33,120	-	-	193,378	141,400	14,570	-	155,971	37,408
Gesondheidsdienste Toerusting	-	-	-	-	-	-	-	-	-	-
Vuurwapens	3,000	-	-	-	3,000	3,000	-	-	3,000	-
Laaigrawe	1,448,080	-	-	-	1,413,080	761,744	94,798	17,669	838,872	574,208
Kliniektoerusting	-	-	-	-	-	-	-	-	-	-
Ingenieurstoerusting	332,440	41,326	-	-	366,736	173,484	37,708	5,124	206,069	160,668
Werkwinkeltoerusting	29,797	-	-	-	29,797	16,990	2,988	-	19,978	9,819
Kettingasae	16,138	5,814	-	-	21,952	13,942	2,495	-	16,437	5,515
LERE	113,624	6,602	-	-	120,225	103,243	5,877	-	109,120	11,106
SWEISMASJIENE	5,548	-	-	-	5,548	5,462	86	-	5,548	-
Elektriese Ingenieurstoerustin	231,235	93,598	-	-	324,833	126,967	39,305	-	166,271	158,561
SWEMBADPOMPE	-	-	-	-	-	-	-	-	-	-
Verkeerstoeurusting	406,232	23,242	-	-	429,474	273,738	41,063	-	314,801	114,673
Vullisverwydering-toerusting	70,746	395,563	-	-	466,309	7,042	8,178	-	15,220	451,089
2 RIGHTING RADIOS	234,102	100,752	-	-	324,604	79,737	37,560	10,250	107,047	217,556
Selfone	167,112	-	-	-	141,150	86,130	30,150	19,608	96,672	44,477
Alarmstelsels / Toegangsbeheer	20,092	6,571	-	-	26,663	17,531	1,664	-	19,195	7,468
Radio Kom. Infrastruktuur	226,634	230,243	-	-	456,877	8,892	91,330	-	100,222	356,655
Geboue / Afdakke / Omheinings	21,519,836	919,851	-	-	22,439,687	10,328,237	555,435	-	10,883,672	11,556,015
Werkswinkels	2,721	-	-	-	2,721	726	91	-	817	1,904
Vullisterreine	3,055,428	29,887	-	-	3,085,315	588,236	153,190	-	741,426	2,343,889
PLAKKERSKAMPE	911,989	-	-	-	911,989	-	45,724	-	45,724	866,264
Ontwikkelingsplan	-	-	-	-	-	-	-	-	-	-
Y2K	-	-	-	-	-	-	-	-	-	-
Baaiplek / Silwerstrand Projek	-	-	-	-	-	-	-	-	-	-
Airfield	-	-	-	-	-	-	-	-	-	-
Investment Properties										
Investment Properties	10,371,000	-	-	-	10,131,000	-	-	-	-	10,131,000
	10,371,000	-	-	-	10,131,000	-	-	-	-	10,131,000
Total	471,574,242	38,400,101	-	-	500,161,838	160,132,528	19,329,001	4,862,214	174,599,315	325,562,524
							Includes R 11.40 adjustment - See Note 34.2			

APPENDIX C
BREEDER RIVER WINELANDS MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
30-Jun-08

	Cost										Accumulated Depreciation				Carrying Value
	Opening Balance	Residual Value Opening Bal	Additions	Residual Value Additions	Under Construction	Disposals	Residual Value Disposals	Closing Balance		Disposals		Closing Balance			
								R	R	R	R	R	R	R	
Executive & Council	1,106,291		557,725			6,049		1,657,967	665,025	159,239	6,049	818,215	839,752		
Finance & Admin	119,114,492		1,248,974			2,202,638		118,160,828	50,056,730	3,059,023	1,440,179	51,675,574	66,485,254		
Planning & Development	690,399		455,926			-		1,146,325	278,823	101,723	-	380,545	765,780		
Health	-		-			-		-	-	-	-	-	-		
Community & Social Services	7,884,943		1,243,785			26,938		9,101,790	3,290,237	288,282	26,603	3,551,915	5,549,875		
Housing	115,056,430		5,133,956			7,196,000		112,994,386	43,497,413	3,223,062	3,097,865	43,622,610	69,371,776		
Public Safety	6,108,605		3,882,351			13,211		9,977,745	1,389,276	726,715	10,394	2,105,597	7,872,148		
Sport & Recreation	13,588,898		1,629,006			33,253		15,184,651	6,050,134	684,179	30,867	6,703,446	8,481,206		
Environmental Protection	-		-			-		-	-	-	-	-	-		
Waste Management	58,249,827		7,277,459			73,610		65,453,676	10,300,325	3,385,615	43,710	13,642,231	51,811,445		
Road Transport	27,447,813		8,536,239			172,443		35,811,609	8,430,052	1,924,772	143,119	10,211,705	25,599,904		
Water	62,515,044		2,407,333			15,000		64,907,378	17,061,743	3,041,087	15,000	20,087,830	44,819,547		
Electricity	59,667,554		6,019,105			73,363		65,613,296	19,060,973	2,727,713	48,429	21,740,257	43,873,039		
Other	143,944		8,242			-		152,186	51,798	7,591	-	59,388	92,798		
TOTAL	471,574,242	-	38,400,101	-	-	9,812,504	-	500,161,838	160,132,528	19,329,001	4,862,214	174,599,315	325,562,524		
Includes R 11.40 adjustment - See Note 34.2															

APPENDIX D

BREEDE RIVER WINELANDS MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30-Jun-08

2007 Actual Income R	2007 Actual Expenditure R	2007 Surplus/ (Deficit) R		2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus/ (Deficit) R
7,673,602	18,511,778	(10,838,176)	Executive & Council	13,843,473	26,292,935	(12,449,462)
39,703,568	23,293,498	16,410,069	Finance & Admin	42,987,369	22,538,496	20,448,874
2,078,529	3,681,593	(1,603,065)	Planning & Development	1,499,191	8,635,802	(7,136,611)
434,625	393,329	41,296	Health	-	-	-
332,428	2,876,244	(2,543,817)	Community & Social Services	1,064,721	8,088,260	(7,023,539)
4,046,740	4,378,652	(331,911)	Housing	1,811,660	4,683,862	(2,872,202)
5,320,915	6,712,444	(1,391,528)	Public Safety	6,607,470	7,262,889	(655,419)
107,478	1,398,554	(1,291,077)	Sport & Recreation	312,884	9,567,734	(9,254,850)
141,873	7,597,785	(7,455,912)	Environmental Protection	11,786,588	10,610,092	1,176,496
24,305,238	19,959,442	4,345,796	Waste Management	15,492,539	12,892,255	2,600,284
138,542	8,941,376	(8,802,834)	Road Transport	378,586	9,915,965	(9,537,379)
30,515,429	16,487,570	14,027,859	Water	20,900,219	17,901,936	2,998,284
88,350,743	69,808,220	18,542,523	Electricity	94,376,803	71,225,917	23,150,886
50	5,611,862	(5,611,812)	Other	503,546	505,205	(1,659)
203,149,761	189,652,348	13,497,413	Sub Total	211,565,050	210,121,349	1,443,701
-	(13,000,505)	13,000,505	Less Inter-Dep Charges	-	(11,094,752)	11,094,752
203,149,761	176,651,843	26,497,918	Total	211,565,050	199,026,597	12,538,453
-	-	-	Add: Share of Associate	-	-	-
	26,497,918					12,538,453

BREEDER RIVER WINELANDS MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2008
APPENDIX E(1)

REVENUE	2008 Actual (R)	2008 Budget (R)	2008 Variance (R)	2008 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
Property rates	20,322,854	19,156,875	1,165,979	6.09%	
Property rates - penalties imposed and collection charges	254,894	-	254,894	0.00%	
Service charges	138,457,749	138,447,755	9,994	0.01%	
Regional Services Levies - turnover	-	-	-	0.00%	
Regional Services Levies - remuneration	-	-	-	0.00%	
Rental of facilities and equipment	864,674	1,042,442	(177,768)	-17.05%	
Interest earned - external investments	8,746,970	5,500,000	3,246,970	59.04%	
Interest earned - outstanding debtors	504,389	-	504,389	0.00%	
Dividends received	-	-	-	0.00%	
Fines	3,495,123	2,588,516	906,607	35.02%	
Licences and permits	1,149,223	761,967	387,256	50.82%	
Income for agency services	1,902,244	2,648,981	(746,737)	-28.19%	
Government grants and subsidies	31,687,684	25,859,650	5,828,034	22.54%	Capital revenue included - GRAP
Other income	4,179,246	5,318,036	(1,138,790)	-21.41%	
Donated/Contributed Property, Plant and Equipment	-	-	-	0.00%	
Change in Fair Value	-	-	-	0.00%	
Gains on disposal of property, plant and equipment	-	-	-	0.00%	
Total Revenue	211,565,050	201,324,222	10,240,828	5.09%	
EXPENDITURE					
Executive & Council	26,292,935	29,210,673	(2,917,738)	-9.99%	
Finance & Admin	22,538,496	22,028,763	509,733	2.31%	Implementation of GRAP
Planning & Development	8,635,802	10,588,498	(1,952,696)	-18.44%	
Health	-	-	-	0.00%	Function transferred to Provincial
Community & Social Services	8,088,260	7,947,884	140,376	1.77%	
Housing	4,683,862	1,696,823	2,987,039	176.04%	Depreciation on Scheme Houses
Public Safety	7,262,889	8,415,470	(1,152,581)	-13.70%	
Sport & Recreation	9,567,734	10,254,933	(687,199)	-6.70%	
Waste Water Management	10,610,092	11,227,559	(617,467)	-5.50%	
Waste Management	12,892,255	13,073,080	(180,825)	-1.38%	
Road Transport	9,915,965	13,277,090	(3,361,125)	-25.32%	Subsidy not received
Water	17,901,936	16,310,864	1,591,072	9.75%	Depreciation on assets
Electricity	71,225,917	73,042,909	(1,816,992)	-2.49%	
Other	505,205	475,630	29,575	6.22%	
Less : Interdepartmental Charges	(11,094,752)	(16,233,149)	5,138,397	-31.65%	
Total Expenditure	199,026,597	201,317,027	(2,290,430)	-1.14%	
NET SURPLUS/(DEFICIT) FOR THE YEAR	12,538,453	7,195	12,531,258	174166.19%	

APPENDIX E(2)

BREDE RIVER WINELANDS MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2008
Acquisition of Property, Plant and Equipment

	2008 Actual	2008 Under Construction	2008 Total Additions	2008 Budget	2008 Variance	2008 Variance	Explanation of Significant Variances greater than 5% versus Budget
	R	R	R	R	R	%	
Executive & Council	557,725	-	557,725	182,561	375,164	205.50%	
Finance & Admin	1,248,974	-	1,248,974	1,800,351	(551,377)	-30.63%	
Planning & Development	455,926	-	455,926	3,712,800	(3,256,874)	-87.72%	
Health	-	-	-	-	-	0.00%	
Community & Social Services	1,243,785	-	1,243,785	932,090	311,695	33.44%	
Housing	5,133,956	-	5,133,956	14,102,000	(8,968,044)	-63.59%	
Public Safety	3,882,351	-	3,882,351	3,836,641	45,710	1.19%	
Sport & Recreation	1,629,006	-	1,629,006	995,609	633,397	63.62%	
Waste Water Management	-	-	-	-	-	0.00%	
Waste Management	7,277,459	-	7,277,459	7,285,996	(8,537)	-0.12%	
Road Transport	8,536,239	-	8,536,239	7,205,877	1,330,362	18.46%	
Water	2,407,333	-	2,407,333	2,498,441	(91,108)	-3.65%	
Electricity	6,019,105	-	6,019,105	4,878,491	1,140,614	23.38%	
Other	8,242	-	8,242	10,000	(1,758)	-17.58%	
Total	38,400,101	-	38,400,101	47,440,857	(9,040,756)	-19.06%	

APPENDIX F

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance at 30-Jun-07 R	Contributions during year R	Interest on Investments R	Operating expenditure during year Transferred to Revenue R	Capital expenditure during year Transferred to Revenue R	Transfers R	Balance at 30-Jun-08 R
Re-election of Ward Committees	0	150,000					150,000
Ward Base Planning	0	15,057					15,057
Netball Courts Montagu	7,567			7,567			-
Zolani Sports Grounds	19,267			19,267			-
Municipal Systems Improvement Grant	496,206	734,000		438,624	440,000		791,582
Stormwater Upgrade Ashton/Bvale	440,000						-
Route 62 Projects BDM	37,377						37,377
PIMS:Performance Management	76,935						76,935
PIMS:Project Management Training	17,560						17,560
DPLG - Masterplan - Civil Services	54,386						54,386
MIG Projects	0	2,800,000			1,786,401		1,013,599
Transport Grant - DORA R1,79m	1,790,000	470,000			2,259,996		4
Robertson Masakhane project	353,117						353,117
Bvale Informal Area Relocation	6,298			6,298			-
Scaffe Homes Sanitation	47,671	120,000					167,671
National Treasury - Finance Management Grant	714,155	500,000		455,743	26,162		732,249
28 Semi-Detached Houses	139,310				121,406		17,903
Project Preparation	0	62,000					62,000
Werkstepping Projekte	0	128,050					128,050
ABSA Grant - Fire Brigade	16,741			16,741			-
Performance Management	11,734			11,734			-
MIU-EIA - Landfill Site	332,400						332,400
Cleaning Recycling Project	550,412	60,000		20,500			589,912
Integrated Information System	23,940			23,940			-
Housing Consumer Education CWD	0	12,250					12,250
Pre-paid Watermeters	154,718				300,000		154,718
Masibambane Programme	210,000	135,000			313,567		45,000
INEP Grant - Electrification	164,567	149,000					-
Equitable Share	0	20,085,293		20,085,293			-
Afwag Behuisings Ontwikkelings	1,596,529	295,650					-
Housing	0	3,735,797			3,735,797		1,892,179
Main Road Maintenance		336,238		336,238			-
Library		319,173		319,173			-
Unspent conditional grants and receipts - End of year	7,949,507	30,107,508	-	21,741,118	8,983,330	-	6,643,949
AanloopeBrueMontaguVloed Aug'05	(245,515)	245,515					-
Housing	-				853,236		853,236
Investigation Grant	-				110,000		110,000
Unpaid conditional grants and receipts - End of year	(245,515)	245,515		-	963,236	-	963,236
Unspent conditional grants and receipts - beginning of year	7,953,531	30,107,508	-	21,741,118	8,983,330	-	7,336,591
Unpaid conditional grants and receipts - beginning of year	418,628	245,515		-	963,236	-	1,136,349
	7,534,903	30,353,024	-	21,741,117.93	9,946,566	-	6,200,242

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE BREEDE RIVER WINELANDS MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Breede River Winelands Municipality (municipality) which comprise the statement of financial position as at 30 June 2008, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages xx to xx.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue act, 2007 (Act No. 1 of 2007) (DoRA). This responsibility includes:
 - ☐ Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
 - ☐ Selecting and applying appropriate accounting policies.
 - ☐ Making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (act No. 25 of 2004) (PAA) and section 126(3)(a) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - a. Appropriateness of accounting policies used
 - b. Reasonableness of accounting estimates made by management
 - c. Overall presentation of the financial statements
7. Paragraph 11 et seq. of the Statement of Generally Recognised Accounting Practice, GRAP 1 Presentation of Financial Statements requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the Breede River Winelands Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

9. The municipality's policy is to prepare financial statements on the basis of accounting determined by the national Treasury, as set out in accounting policy note 1.1.

Opinion

10. In my opinion the financial statements present fairly, in all material respects, the financial position of the Breede River Winelands Municipality as at 30 June 2008 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the MFMA and DoRA.

Emphasis of matter

11. Without qualifying my audit opinion, I draw attention to the following matters:

Amendments to the applicable basis of accounting

12. As set out in accounting policy note 1.1, the National Treasury approved a deviation from the basis of accounting applicable to the municipality in terms of General Notice 522 of 2007, issued in Government Gazette 30013 of 29 June 2007.

Unauthorised expenditure

13. As disclosed in note 38 to the financial statements, unauthorized expenditure to the amount of R4,748,062 was incurred, as expenditure of certain votes were overspent.

Restatement of corresponding figures

14. As disclosed in note 34 to the financial statements, the corresponding figures for 2006-07 have been restated as result of errors discovered during 2007-08 in the financial statements of the municipality at, and for the year ended, 30 June 2007.

OTHER MATTERS

Without qualifying my audit opinion, I draw attention to the following matters that relate to my responsibilities in the audit of financial statements:

Matter of governance

15. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE BREEDE RIVER WINELANDS MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2008

Matter of governance	YES	NO
Audit committee		
<ul style="list-style-type: none"> The municipality had an audit committee in operation throughout the financial year. 	■	
<ul style="list-style-type: none"> The audit committee operates in accordance with approved, written terms of reference. 	■	
<ul style="list-style-type: none"> The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA. 	■	
Internal audit		
<ul style="list-style-type: none"> The municipality had an internal audit function in operation throughout the financial year. 	■	
<ul style="list-style-type: none"> The internal audit function operates in terms of an approved internal audit plan. 	■	
<ul style="list-style-type: none"> The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA. 	■	
Other matters of governance		
<ul style="list-style-type: none"> The annual financial statements were submitted for audit as per the legislated deadlines, section 126 of the MFMA. 	■	
<ul style="list-style-type: none"> The annual report was submitted to the auditor for consideration prior to the date of the auditor's report. 	■	
<ul style="list-style-type: none"> The financial statements submitted for audit were not subject to any material amendments resulting from the audit. 		■
<ul style="list-style-type: none"> No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management. 		■
<ul style="list-style-type: none"> The prior year's external audit recommendations have been substantially implemented. 	■	
Implementation of Standards of Generally Recognised Accounting Practice (GRAP)		
<ul style="list-style-type: none"> The municipality submitted an implementation plan, detailing progress towards full compliance with GRAP, to the National Treasury and relevant provincial treasury before 30 October 2007. 	■	
<ul style="list-style-type: none"> The municipality substantially complied with the implementation plan it submitted to the National Treasury and the relevant provincial treasury before 30 October 2007, detailing its progress towards full compliance with GRAP. 	■	
<ul style="list-style-type: none"> The municipality submitted an implementation plan, detailing further progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 31 March 2008. 	■	

Unaudited supplementary schedules

16. The supplementary information set out on pages xx to xx does not form part of the financial statement and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

Late finalization of audit report

17. In terms of section 126(3)(b) of the MFMA I am required to submit my report to the accounting officer within three months of the receipt of the financial statements. In the interest of improving accountability and due to the process implemented by me to ensure consistency in the manner in which material audit findings are reported, I have delayed the finalization of my report, where the financial statements in question were received by 31 august 2008.

OTHER REPORTING RESPONSIBILITIES REPORT ON PERFORMANCE INFORMATION

18. I have reviewed the performance information as set out on pages xx to xx.

Responsibility of the accounting officer for the performance information

19. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems act, 2000 (Act No. 32 of 2000) (MSA).

Responsibility of the Auditor-General

- 20. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008 and section 45 of the MSA.
- 21. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
- 22. I believe that the evidence I have is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (performance information)

Non-compliance with regulatory requirements

Internal auditing of performance measures

- 23. The internal auditors of the municipality did not audit the results of performance measurement as part of the municipalities internal auditing process, as required in terms of section 41(1)(c) of the MSA.

Existence and functioning of a performance audit committee.

- 24. The performance audit committee did not review the municipality's performance management system and make recommendations in this regard to the council of the municipality.

Reporting to council on performance measurement.

- 25. The municipality's mechanisms, systems and processes or monitoring did not provided for reporting to the council of the municipality twice during the year under review, as required in terms of regulation 13(2) of the Local Government: Municipal Planning and Performance Management Regulations, 2001.

Content of performance information reported

26. The performance information reported does not include a complete and comprehensive coverage of the planned performance against targets, as per the integrated development plan and the budget, as required in term of section 46(1)(b) of the MSA
25. The performance information reported does not include a comparison between the performance and targets of the current year and that of the prior year, as required in terms of section 46(1)(b) of the MSA.
26. Measures taken to improve performance were not disclosed, as required in terms of section 46(1)(c) of the MSA.

APPRECIATION

27. The assistance rendered by the staff of the municipality during the audit is sincerely appreciated.

Auditor-General

Cape Town
19 December 2008
AUDITOR-GENERAL

REPORT OF THE AUDIT COMMITTEE

For the year ending 30 June 2008

We present our report for financial year ended 30 June 2008.

Audit Committee Responsibility:

•The Audit Committee is responsible for the oversight of internal controls, financial reporting and compliance with regulatory matters. The committee should mainly make recommendations to management, including, the following:

- Review the effectiveness of the Council's system of internal control and risk management
- Review the financial reporting
- Review of the financial statements
- Review the Internal Audit function
- Review the Auditor General's report
- Review the Council's compliance with legislation and regulation
- Review the Compliance with the Council's Code of Conduct and ethics

Audit Committee Members and Attendance:

During 2007/2008 the committee had three members:

- Dr B van Rensburg (Chairman),
- Mr P Dreyer
- Third committee member is vacant

The committee convened two meetings, on the 7th December 2007 and 9th May 2008. Attendance at the meetings was 6 and 5 respectively

Special Audit Committee Meeting:

Audit Committee consisting of the members listed above convened a special meeting on the 21 January 2008 matters relating to:

- Auditor General's Report on Annual Financial Statements and Performance Information.
- Performance Management System

Recommendation to Council

The Audit Committee unanimously recommends that Council accepts the 2008 report of the Auditor General. The report is unqualified though regrettable, reference is made to unauthorized expenditure amounting to R4 748 062 which mostly resulted from the required change to Generally Recognised Accounting Practice (GRAP). No additional steps will therefore be necessary to prevent a similar situation arising in the 2009 financial year.

We further note that the Auditor General referred to "difficulties experienced during the audit concerning delays and/or the unavailability of senior management." Through the normal learning curve similar recurrence should be avoided in future.

It is also regrettable that the internal auditors failed to audit results of the performance management; however this is due to the fact that the performance measurement system is still in the process of being implemented. It is therefore to be expected that internal audit will comply with this requirement in 2009.

Overall, the Auditor General's report reflects favourably on the efficiency and diligence of management for which they collectively need to be commended.

Conclusion

The Audit Committee also wishes to express its appreciation for the work of the internal audit section which enabled the committee to function efficiently during the financial year 2008.



Chairperson of the Audit Committee
22 January 2008

MANAGEMENT COMMENTS AND CORRECTIVE ACTION ON MUNICIPALITY'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2008

These are management comments and corrective action to be instituted on the matters raised in the report of the Auditor General to the municipality on the both the financial statements of the Breederiver Winelands Municipality and Performance information in terms of section 121(4) (e) of the Municipal Finance Management Act, no 56 of 2003

The unqualified audit report from the Auditor General's office contains certain issues that the Auditor General raised as emphasis of matter. Accordingly, this is the Municipality's comment and corrective action on each issue raised by the Auditor General. It should be noted that paragraphs 12, 13 and 14 relate to the conversion to the GRAP standards.

For ease of reference, the paragraph numbers are directly quoted from the Auditor General's Report.

Paragraph	Emphasis of matter	Corrective-action/Comment
12	Amendments to the applicable basis of accounting	noted
13	Unauthorised expense	Noted. With the conversion to GRAP provision had to be made for depreciation thus resulting in unauthorised expenditure. Council has subsequently approved the expenditure.
14	Restatement of corresponding figures	noted
15	Matters of governance	noted
16	Unaudited supplementary schedule	Noted
17	Late submission of the audit report	Noted

MANAGEMENT RESPONSE TO AUDITOR GENERAL'S AUDIT FINDINGS (2007/08): PERFORMANCE INFORMATION

Paragraph	Audit Finding	Management Action Plan	Target Date	Responsible Official
23	"the internal auditors of the municipality did not audit the results of performance measurement as part of the municipality's internal auditing process, as required in terms of section 41 (1) (c) of the MSA	The Municipality received the audited performance report on the 22 December 2008. The internal audit committee will review and audit the municipal performance report and all performance measures in January 2009. In the future, the performance report will be reviewed and audited in September each financial year before it is submitted to the Auditor General for auditing.	23 January 2009	Mr A Lategan Mr S.Mokweni
24	"the performance audit committee did not review the municipality's performance management system and make recommendations in this regard to the council of the municipality"	The Breede River's Performance Management system and process shall be reviewed and its effectiveness and compliance be assessed during the audit committee's January meeting. Audit committee comments and recommendations shall form part of the Audit committee report to council.	23 January 2009	MR A Lategan Mr S.Mokweni
25	The municipality's mechanisms, systems and processes for monitoring did not provide for reporting to council of the municipality twice during the year under review, as required in terms of regulation 13 (2) of the Local Government: Municipal Planning and Performance Management Regulations, 2001	During 2007/08, the municipality will submit only one performance report as part of the annual report on the 30 January 2009. During 2008/09 financial year, the municipality will submit two quarterly reports, one mid-year report and annual performance report.	30 June 2009	Mrs C Matthys Mr S.Mokweni
24*	Performance information reported does not include a complete and comprehensive coverage of the planned performance against targets, as per the integrated development plan and the budget, as required in terms of section 46 (1) (b) of the MSA.	During 2008/09 the municipality will use the IDP, SDBIP and budget to measure performance. The municipality's SDBIP has KPI's and Targets that covers plans of all departments in the municipality. Therefore the performance information in 2008/09 performance report shall be comparison of actual performance against planned targets as they appear on the IDP.	30 September 2009	Mrs C Matthys Mr S.Mokweni
25*	The performance information reported does not include a comparison between the performance and targets of the current year and that of the prior year, as required in terms of section 46 (1) (b) of MSA	It proved difficult for the municipality to obtain past year performance information for municipality. However, the Municipality's annual SDBIP and corporate scorecard for 2008/09 has been structured in such a way that past information is reflected as a baseline for comparison purposes.	30 June 2009	Mrs C Matthys Mr S.Mokweni
26	Measures taken to improve performance were not disclosed, as	For 2008/09 the corporate scorecard and the SDBIP has been designed in such a way that every quarter managers	30 June 2009	Mrs C Matthys

*Paragraph no 24 and 25 have been duplicated in the Auditor General's report



**Breede River Winelands Municipality
Annual Performance Report**

Annual Report
CHAPTER 5

People at the center
of development



Infrastructure Development

Housing

The housing department within the Breede River Winelands Municipality plays a key role in providing an essential basic service i.e. housing delivery. Some of the other functions of this department include; rectification of defects, providing human settlements (informal housing), updating waiting lists, transferring ownership (rental and RDP/BNG Houses), processing subsidy applications, facilitating Housing Consumer Education, selling houses (rental stock) and processing applications for EEDBS. In addition to this, the department coordinates budget allocations by the Department of Local Government and Housing (DPLG & H).

This section focuses on addressing the need for adequate shelter across the municipality, and providing better quality living environments and affordable housing. It also has to ensure that basic services are provided in informal settlements; properties are transferred into the names of beneficiaries, as well as, selling houses and managing rental units. Currently there are an estimated 7969 families without proper housing and shelter. To address this backlog, the municipality needs to deliver 1594 housing units per year in the next 5 years.

The Breede River Winelands Municipality and the mayoral committee identified housing as a priority during the 2007/08 financial year and allocated 25% of the municipality's Capital Budget to housing delivery. Despite the municipality's commitment, there has been a slow housing delivery owing to delays in approval of Environmental Impact Assessment (EIA) for housing projects.

Performance 2007/2008

Despite the challenges faced by the housing department, the following were achieved during the year under review:

- Delivery of 27 housing units in Olien Street.
- Relocation of 111 Informal Settlement structures in (noe 144), Bonnievale.
- Basic services were provided to 152 informal settlements in Bonnievale and Montagu.
- Significant progress was made in the relocation of 92 McGregor backyard dwellers into informal settlements with basic services.
- Through the rectification and upgrading project, 63 houses with defects were restored and improved, 42 of the restored houses are in Robertson.
- A total of 335 houses were transferred to their rightful owners throughout the Breede River Winelands area. Ownership transfers took place in the following areas: Ashton & Zolani (74), Bonnievale (2), Montagu (9), McGregor (2), and Robertson (248).



Challenges

Slow housing delivery in Breede River is attributed to the following challenges:

- Delays in the approval of housing projects by the departments of Local Government and Housing and Environmental Affairs.
- Obtaining of UIF (Unemployment Insurance Fund) Certificates from the Department of Labour, which are needed to verify the employment status of the beneficiaries.
- Shortage of trained and qualified personnel.
- Shortage of funding to do the necessary rectification on houses.
- Acquisition of personal documentation for beneficiaries.
- Signing of documents with attorneys for housing transfers.
- Inadequate vehicles to perform housing inspections.
- Refusal by beneficiaries to sign Sale Agreements and assume ownership due to defective RDP and rental houses.

Future plans & priorities

The department will focus on the following priorities in the 2008/2009 financial year:

- Land acquisition for further projects.
- Installation of services to all land identified for housing projects.
- Rectification programmes on defective municipal & RDP/BNG houses that are not yet transferred to beneficiaries.
- Transferring of all houses to beneficiaries.
- Construction of houses in Robertson and Zolani.



Electricity Services

The national government has set the regulation with regards to providing free basic electricity to alleviate pressure on indigent people. The Breede River Winelands Municipality provides 50 free units to indigent households with a monthly income of $\leq R870$ and 20 free units to indigent households with a monthly income of $R870 < \leq R1740$.

The minimum standard of service requires that infrastructure be in place so as to allow the community access to electricity and be provided with basic lighting. The municipality has implemented numerous projects and programmes to ensure sustainable provision of electricity to 18122 Breede River Winelands Municipal consumers.

The department provides an electricity service, which includes bulk services, reticulation, and maintenance. It also provides maintenance of electrical installations to municipal buildings. In addition to this, the unit manages major electrification projects through the Integrated National Electrification Programme (INEP).

Objectives of this department

- Of all the capital projects due to be completed by the end of December 2008, the only project that will not meet this target is the Robertson Main Substation Phase 2 Upgrade and Feeder Protection at Ashton Main Substation with completion envisaged for the end of June 2009.
- To maintain a good quality electricity supply to all consumers.
- To maintain a good standard of street lighting to the community.
- To increase the public's satisfaction levels with regards to services rendered by the department.
- To maintain municipal vehicles and equipment so as to ensure a quality service delivery to the community.

Performance 2007/2008

The department has achieved all its annual targets and listed below are some highlights:

- Successful reduction of energy losses to 8.46% against the target of $< 8.8\%$.
- During the financial year, 36 houses were electrified in Ashton, Bonnievale, Montagu, McGregor and Robertson. A target of 120 houses could not be reached due to delays in the construction of new houses.
- 50 streetlights were erected at electrified RDP houses in Ashton, Bonnievale, Montagu, McGregor and Robertson.
- The municipality also enjoyed an improved quality of electrical supply to households through the upgrading of low voltage lines in McGregor, installation of miniature substations in Hospital Street, Montagu, and upgrading of 11 kilo-volt lines in Ashton and Robertson to improve supply quality to 176 consumers.
- 1265 prepaid meters were replaced.
- A comprehensive electricity saving strategy was developed and this saw lights in municipal buildings being replaced with energy-saving alternatives. Through an Eskom energy-saving initiative, 24000 lamps were exchanged in the Breede River Winelands Municipality. Large energy consumers were sensitised to the alarming national energy situation and some reductions in energy consumption have been detected. The municipality is currently replacing streetlights with more energy-efficient alternatives, through all these efforts; total electricity savings achieved as of July 2008 were 5.6% against the target of 10%.



Civil Engineering (Roads, Water, Sewerage and Stormwater)

The Civil engineering department manages 227.86 kilometres of local roads, and 53.3 kilometres of underground storm water systems. The national government has an infrastructure development imperative to which the Breede River Winelands Municipality must focus and align its resources. With this in mind, the Civil Engineering Department has been tasked with the responsibility of managing roads, water, sewerage, storm water, building, irrigation water portfolios, as well as the Municipal Infrastructure Grant (MIG) and the Extended Public Works Programme (EPWP).

Objectives of the department

- Water - provision of high quality standard drinking water to the community through bulk water services, water purification, reticulation, and maintenance of water infrastructure.
- Sewerage - provision of high quality standard sewerage services to the community through reticulation, sewerage purification, and maintenance of sewer infrastructure.
- Roads and Stormwater – responsible for tarring new roads and maintenance of existing roads, and managing labour-intensive reticulation, as well as maintaining storm water systems.
- The department provides an irrigation water service to properties in Robertson and McGregor.

Performance 2007/2008

During the year under review, the department completed all its major projects. These include:

Water Services

- Water quality has been maintained to acceptable national standards (SABS 0241 standards).
- Target for water was exceeded and water loss reduced to 12.09%, far below the national target of < 20.
- All households in the Breede River Winelands Municipality have access to metered water within 200 meters.
- Fire Hydrants were installed in Ou dorp and Montagu.
- Water purification works were upgraded in McGregor.
- Emergency Powerplants were completed.

Sanitation

- All households (100%) in the Breede River Winelands Municipality have access to sewerage services.
- All households (100%) have access to basic levels of sanitation.
- Major upgrading of existing sewerage outfall works were undertaken and completed in Ashton, Robertson, Bonnievale.
- Pump stations were upgraded in Bonnievale.



Roads and Stormwater

- In 2007/2008, the municipality embarked on major road and stormwater projects; the budget was expended on building new and maintaining existing roads, and on upgrading stormwater systems.
- The following roads were tarred; Jasmyn Street, in Ashton, Klaaslaan in Zolani, and Lang Street in McGregor and Skerpioenkop in Montagu were rebuilt.
- Major stormwater projects included; the upgrading of Nel Street in Montagu, Droëheuwel in Môreson, and Nkqubela stormwater upgrades in Robertson.
- As a result of relatively old water and sewerage systems, pipe bursts occur regularly thus increasing complaints (about water, sewerage, roads and stormwater) to 32/quarter above the acceptable norms of <15/quarter.

Street Name	Street length	Progress/Status
Sweatpea Street	57m	completed
Roosmaryn Street	121m	completed
Nonyawaza Street	205m	completed
Nyamana Street	232m	completed
Rorwana Street	237m	completed
Mabombo Street	274m	completed
Mpini Street	144m	completed
Ngonyama Street	28m	completed

Town Planning

Land Management, Spatial Planning, Building Control, Administration of Valuations and Geographic Information Systems, guide the Breede River Winelands Municipality on planning, environmental and sustainable issues to ensure that the development of the Breede River Winelands enhances the economy, promotes integration of communities and improves the quality of life for all citizens. The primary responsibility of this department includes inter alia; processing building plans, land use applications, and ensuring compliance with environmental statutes. The department also assists in public projects such as housing developments.



Land Use Management

Ordinance 15/85 regulates Land Use Management; Land Use Management, whereby applications for subdivisions rezoning, departures and consent use ect, are being evaluated. The above ordinance also gives legal status to Zoning Schemes, i.e. regulations, zoning maps and registers. There are at present, different zoning schemes for Ashton, Montagu and Robertson, whereas Bonnievale. Montagu, and rural areas are subject to the standard zoning regulations for the Western Cape (Section 8 Zoning regulations).

Performance 2007/2008

- The department has in terms of section 9 of the Land Use Planning Ordinance, 15 of 1985, embarked on a process to combine the different zoning schemes within the municipal area into one zoning scheme and compile an updated zoning map in accordance with the IZS.
- This IZS will replace the existing section 7 and 8 zoning map schemes currently applicable within the boundaries of the municipal area. The final draft documents and plans are now available for public comment. Only after the approval of the final draft by Council will the documents be sent to the province in early 2009 for approval.
- The town planning section received and processed 125 (86 urban, 39 rural) planning applications between July 2007 and June 2008. This includes applications for rezoning, consent use, departures and applications for subdivision.
- The department received a sizeable number of applications for home enterprises (guest accommodation facilities, mobiles) and second dwellings.
- 9 applications were not approved due to non-compliance with the Council and/or the province's policy.
- 69 applications received from the rural areas were evaluated and approved. These applications were processed ± 2-3 years ago and were only finalised during the year under review due to prescribed procedures.
- The Council also approved an application for a golf estate (Montagu). It entails; 4 fairway lodges, 49 cottages, 3 studios, 1 lifestyle centre, and 27 golf lodges. Developers also showed an interest in the property market and three applications were received for major developments in Montagu, Robertson and Bonnievale.
- A subdivision policy was developed, approved by Council, and successfully implemented during the year under review. The policy ensured that through the subdivision, minimum sizes and dimensions for erven were adhered to and urban densification promoted. Through this policy, new erven cannot be smaller than 75% of the average erf size in the immediate surroundings.



Spatial Planning

The municipality is constitutionally bound to develop policies that enable sustainable development while promoting economic and social development throughout the municipality. The Breede River Winelands Municipality adopted a Spatial Development Framework on April 28th, 2004 to guide future development investments and implement guidelines relating to bioregional planning.

In view thereof the municipality intends to update its Spatial Development Framework (SDF) in accordance with the bioregional planning approach advocated by the Provincial Government of the Western Cape (PGWC). This approach refers to land use, planning, and management that promotes sustainable development by recognizing the relationship between, and giving practical effect to, environmental integrity, human-well-being and economic efficiency within a defined geographical space, the boundaries of which were determined in accordance with environmental and social criteria.

Performance 2007/2008

- BKS (Town Planning Consultants) has been appointed to update the Breede River Winelands Municipality Spatial Development Framework and the project has rolled-over into the 2008/2009 financial year.
- Council approved a policy document to determine the urban edges for all five towns in the municipality. The primary aim of this study is to control urban expansion, and to preserve and protect the environment (agriculture and conservation), and is now successfully implemented.
- No other rural settlements (i.e. Uitsig in Bonnievale) have been considered, as these would have to be assessed as part of the planned revision of the SDF, where the viability of rural settlement, and urban development outside the 5 towns will be viewed within a broader regional spatial development perspective.

The municipality's objectives for the determination of the urban edge are as a result of the following existing needs:

- Pressure to expand the footprint of urban development into "green field" areas, thereby contributing to an urban sprawl.
- The need to provide certainty to officials, land-owners, developers and residents regarding the limits for urban expansion.
- The need to plan and to implement land use management guidelines for areas inside the urban edge.
- The need to protect the sense of place, heritage, and environmental quality and sensitivity of areas affected by future urban growth prospects.

The project was therefore structured to provide the following outputs/products:

- Determine an urban edge for the medium term.
- Determine the urban edge with a view to inform a revised SDF.
- Determine the urban edge incorporating land use management proposals for land near the edge.
- Determine the urban edge.



Building Control

Systems and processes have also improved over the performance year and town-building plans were processed faster. There was a slight decrease in building activities in the municipal area and this is reflected by building plans that were received.

Category	2006/2007	2007/2008
Building plans approved	637	678
Encroachments approved	88	64
Encroachments not approved	9	53
Building plans not approved	15	5

Valuations

Responsible for the administrative arrangements of the general and supplementary valuation rolls (urban and rural) in terms of Section 49 (1) (9) (i) of the Local Government: Municipal Property Rates Act, 2004 (Act No.6 of 2004).

Performance 2007/2008

- The chairperson certified two supplementary rolls.



Integrated Spatial Management Information System (ISMIS)

A central component of the project is the integration of various data sets from departments (which include Town Planning; Building Control; Treasury and Engineering Services) with external data such as Deeds and Surveyor General Data, with a Geographical Information System (GIS). The project is co-funded by the municipality and the Development Bank of South Africa (DBSA).

Performance 2007/2008

- To date, three phases have been completed, of which a fourth phase is in progress.

The various aspects that received attention during 2007/2008 are as follows:

1. Property Base Map: as base map data (which includes properties which are subdivided and consolidated; updates to street names and property descriptions) are updated within the municipality, such information is captured in CAD format within the municipality, sent through to GIS Global Image and updated onto the central ISMIS.
2. Town Planning data: the municipality is currently in the process of updating the Town Planning Scheme. During this process, GIS Global Image has been assisting the municipality and the appointed Town Planning Consultant, in capturing the zoning data in GIS format.
3. ISMIS software: various updates and software enhancements to security features within the software have been addressed as indicated by the municipality. This software has been installed on the local GIS server but has, however, not been deployed due to software testing and training schedules that need to be finalised.
4. Deeds data: updated Deeds data sets were purchased from the Deeds Office, and integrated within the system. This data will be accessible, with the latest software update to be released.
5. Surveyor General data: all property diagrams (in image format) were received from the Surveyor General office, and integrated into the system. Diagrams were linked on a per property basis, to ease access to images. This data will be accessible, with the latest software update to be released.
6. Training: officials were trained on an ad-hoc basis and as required by officials in the municipality. With the release of the updated software, training schedules will be finalised.

Future Plans and Priorities

The updating of the SDF and approval of Zoning Scheme Regulations are rollover projects that have to be completed and approved by Council and the provincial government.

The determination of floodlines in McGregor and Montagu are crucial, as it will give adequate information to the public and Council regarding the possibility of floods and other risks involved.

It is also necessary to capture and update all outstanding electronic data for the GIS programme as well as the expansion of the system.



COMMUNITY SERVICES

Library and Auxiliary Services

The department is responsible for libraries, swimming pools and community halls.

Libraries

The Breede River Winelands Municipality has nine libraries under its jurisdiction situated in Bonnievale, Happy Valley, Montagu, SunnySide, Ashton, Zolani, Mountain View, McGregor and Robertson. These libraries have approximately 15,571 members; of which 5,132 are children and 10,439 are adults. This is a -2.68 % decrease in membership from the 2006/2007 financial year.

Libraries circulated a total of 364,480 books the 2007/2008 financial year. More than 15,571 people borrowed 261,855 adult books, 92,060 children's books, 10,565 magazines, 1,899 CDs and tapes, and 4,580 videos and DVDs from the seven libraries. This is a 3.47% increase in circulation from 2006/07 financial year.

The department committed a R130 000.00 maintenance budget on minor and major upgrades in all libraries, these included garden revamps, re-roofing and cement rework, and interior upgrades included carpet replacing, painting walls, fixing toilets and re-ceiling. A further R122 408.00 was committed and spent on furniture and equipment.

Swimming Pools

The municipality has 2 swimming pools in Robertson. There is no official record for visitors in swimming pools, however, the municipality has generated more than R118 412.50 in revenue. The Dirkie Uys Street and the Robertson North swimming pools received upgrades ranging from revamping toilets and cloak rooms, tiling and painting, installation of security controls (burglar bars), as well as, improvements to external recreational space such as construction of braai areas. The department expended R158 312.77 to complete all maintenance work.

Community Halls

Breede River has ten community halls; Barnard, Zolani, Happy Valley, Wilhelm Theys Avenue, Nkqubela and Robertson community halls, Chris van Zyl and Hofmeyr halls, as well as, Ashton and Robertson town halls. It is the department's responsibility to ensure that all Breede River community halls are fully utilised and well maintained to acceptable standards.

During the year under review, 1,404 functions and meetings were held in municipal halls. A total of 1 complaint was received from the public regarding the condition of halls.

The department allocated and spent R498 135.54 to maintain libraries. Maintenance work done ranged from garden upgrades, painting walls, and building a wheelchair ramp. Internal refurbishing work included fixing toilets, sanding wooden floors, painting walls, and putting up new curtains. New equipment and furniture was also purchased.



Traffic and Licensing Services

The Breede River Winelands Municipality's traffic and licensing department is dedicated to delivering superior law enforcement services through a partnership-approach with the communities it serves. It aims to create a safe and secure environment for all residents, citizens and visitors within the municipality through the provision of effective traffic policing and law enforcement.

Some of the tasks performed by the department include processing applications, registration (e-NaTis) and issuing of learners/driver's licenses. Furthermore, this department ensures that the following get done; registration of motor vehicles, issuing of fines, managing point duties during emergencies, marking roads, erecting road signs, testing motor vehicles for road worthiness, serving of summonses and executing warrants of arrest, as well as patrolling schools. An overall responsibility of enforcing the law in Breede River rests with the above-mentioned unit.

Performance 2007/2008

During this financial year the department achieved the following:

- Upgrading traffic facilities in Ashton to include the extension of the parking area, renovation of the Vehicle Testing Centre and fitment of new equipment.
- Maintaining a learners/drivers' license application turn-around time of two months.
- Executing and serving approximately 252 summonses and warrants of arrest.
- Replacing road signs and repainting road markings in all towns. Approximately 60 kilometres of roads were marked and about 25 road signs were replaced in each town of Robertson, Ashton, Bonnievale, McGregor and Montagu.
- Learner's and driver's licenses were introduced in Bonnievale; 252 and 72 applications were processed respectively.
- School education programmes were carried out and reflective bands, to increase pedestrian visibility and reduce accidents, were given out in 12 schools and approximately 2,500 pupils participated.
- Road safety consciousness training was conducted in 52 schools and 6 pre primary schools.
- A learner's license program carried out at Zolani and Montagu schools to prepare pupils for driver's licenses benefited 40 and 45 school pupils respectively.

Challenges

The challenges facing the Breede River Traffic and Licensing Department are as follows:

- Financial constraints.
- Under-resourced (including supervision).
- Theft, fraud, and corruption.
- Shortage of technical support (drafting of plans/drawings).
- Inadequate facilities.



Disaster Management and Fire Services

The department seeks to create a safer environment through the provision of world-class, seamless, and cost-effective emergency services to all communities of the Breede River Winelands Municipality.

This objective is realised through the provision of fire fighting and disaster management services and an effective 24-hour emergency call centre. Citizens are provided with easy access to emergency services, and are assured of a speedy response to emergency and disaster situations.

All department's services are aligned to Section 84(1)(j) of the Local Government: Municipal Structures Act, Act 117 of 1998, Disaster Management Act No 57. (Act 57 of 2002) and the National Disaster Risk Management Framework.

The department operates in terms of the Fire Brigade Services Act and its functions are as follows:

- To prevent the outbreak or spread of a fire.
- To fight or extinguish fire.
- To protect life or property against fire or other threatening danger.;
- To rescue life or property from a fire or other dangers.

Performance 2007/8

To improve service delivery the department made significant investment in infrastructure and equipment as indicated below:

- A new fire truck was purchased at a cost of R2 040 887.69.
- State of the art 24 Hour Call Centre was established and became fully operational on 1st December 2007. Citizens report complaints and log emergency calls to the same telephone number 0860881111.
- For rapid mitigation and improved communication between services and towns during emergencies, radio repeaters and infra-structure were installed at R591,768.82.
- 24-hour fire fighting facilities were established in the eastern and western regions of Breede River Winelands Municipality. They are located in Ashton (Breede River Winelands Municipal Fire Services) and Robertson (Cape Winelands District Municipality Fire Services). The Service is operated through a Mutual Aid Agreement meaning that both the fire services (Cape Winelands and Breede River Winelands) perform all fire fighting activities in the allocated areas (east and west).
- The department responded to a total of 179 fires compared to 168 fires during 2006/07 financial year.
- The Breede River Winelands Municipality reduced the reaction time to fires reported to 3-22 min, a significant improvement from 15-40 min during 2006/07.
- Approximately 704 building plans were scrutinized for fire safety purposes in accordance with the National Building Regulations.
- During 2007/2008 four individuals were affected in two motor vehicles accidents (responded to by the Municipal Fire Brigade Services).

Challenges

- Acquiring sufficient number of fire fighting vehicles for all towns.
- Appointing staff in accordance with pre-determined weight of response requirements.
- Obtaining sufficient finances on the budget to incrementally meet objectives.
- In the face of financial constraints, devise a strategic fire protection plan to meet objectives.
- Financial constraints – an initial sizeable investment is needed for a new service.



Priorities for 2007/8

- Acquiring facilities for staff and fire fighting vehicles for Robertson.
- Devise an executable Fire Protection Plan for the Breede River Winelands Municipality.
- Devise an executable Corporate Disaster Management Plan for the Breede River Winelands Municipality.
- Ensuring that Disaster and Fire Services are performed in terms of applicable legislation and standards.

Environmental Services

The Department of Environmental Services endeavours to provide a sustainable, equitable, efficient, and cost-effective variety of services to all communities and businesses. These include; cleansing, parks and recreation, and environmental control.

Cleansing

The cleansing unit is responsible for co-ordination of infrastructure and cleansing services, i.e. domestic refuse collection (from formal and informal households), recycling waste, collecting garden refuse, co-ordinating drop-off area services, transferring and composting organic domestic refuse.

Performance 2007/2008:

The unit achieved the following:

- The municipality has an Integrated Waste Management Plan.
- All streets in the municipality received a daily, weekly, or monthly cleansing service depending on traffic in the areas.
- A joint cleansing project with the Local Canning Factory to clean and beautify the municipality was embarked upon.
- Waste was re-used, re-cycled and disposed of. A total of 18% was recycled.
- The municipality produced between 6000m³ and 8000m³ during 2007/2008 through the composting of organic waste material thus minimising the total waste by +-18%.
- To contain litter and waste in various communities, 22 x 4m³ skips, 10 x 9m³ skips, and 12x 6m³ were purchased.
- Landfill sites in Ashton, Montagu, Bonnievale and McGregor are maintained fortnightly and optimally used as informal transfer stations collecting domestic waste from businesses and farms. The waste is thereafter transported to Ashton landfill site for disposal. A new transfer station is to be built in McGregor and R100 000 has been set aside for detailed planning and permit application (2008/2009).
- Approximately 60 illegal dumping sites per month are cleared and thus far no one has been charged with illegal dumping.
- All public toilets are cleaned daily and kept in good working condition for public usage. Rigorous control over facilities has minimised vandalism.
- The Breede River Winelands Municipality was the first runner up in the 2007 Cleanest Town Competition.



Parks and Recreation

The municipal parks and recreation unit develops, and maintains, zoned public open spaces such as hiking trails, recreational areas, sports grounds, play parks, and fences. It is also responsible for planting, pruning trees and shrubs, and mowing of grass.

Performance 2007/08

A number of additional projects were completed through the Ward Allocation system.

- Hiking trails and picnic areas in Robertson and Montagu are consistently maintained.
- Happy Valley, Van Zyl, and McGregor sports fields were upgraded.
- To beautify the environment, minimize carbon dioxide (CO₂), and to enhance tourism, approximately 360 trees were planted in the entire Breede River Winelands Municipality. Trees were planted along main roads, in townships, parks, cemeteries, and in open areas; examples of the type of trees planted are fruit and ornamental.
- Three play-parks were developed, fenced, and fitted with new play equipment, irrigation systems were installed and trees planted.
- In Ward 9, Cogmanskloof, a play-park was upgraded.
- In Ward 10, Zolani, a recreational park was upgraded including fencing of the braai area and building of an additional one.
- For Ward 5, McGregor, play-park equipment was purchased but has not yet been installed.
- In Ward 3, Dorpsig, a play-park was also upgraded complete with play equipment, water points were installed and trees and grass planted.

Cemeteries

The cemetery unit develops and maintains cemetery facilities that promote dignity and respect to communities. New cemeteries aim to cater for special needs while meeting landscape, infrastructural and environmental standards and objectives. Existing cemeteries will also be extended accordingly.

Performance 2007/2008

- New sites for cemeteries with a 20 to 30 year lifespan have been identified in Bonnievale and Montagu.
- Old cemeteries in Montagu, Bonnievale, Robertson, and McGregor were fenced.
- Cemeteries were well-maintained, de-weeded, extra excavation material supplied, grass cut, plants watered and trees planted.
- Excavation of graves and building up of new ones, as well as opening and closing of graves.
- Approximately R283 028.87 in revenue was earned through application of tariffs.



Environmental Control

The unit is responsible for the control of animals, pest and vector control, health and waste education, and management of hazardous waste. Animal control is managed in collaboration with the Society for the Prevention of Cruelty to Animals (SPCA).

Performance 2007/08

- The department runs waste education and awareness campaigns, through newsletters, whenever there is change of routine in collection of waste or if there are any changes in waste strategy.
- The municipality received less than 0.02% hazardous waste during 2007/2008. It does not accept or handle hazardous waste on landfill sites; traders are responsible for the removal of hazardous waste.
- Less than 10 complaints or inquiries were received by the department.

Challenges

The following challenges hindered service delivery progress in the department:

- Financial constraints.
- Complexities regarding Environmental Impact Assessment for cemeteries, landfill sites, and transfer stations.
- Permit approval for landfill sites.
- Human resource shortcomings.
- Unavailability of skilled applicants for key positions.
- High costs of maintaining sporting facilities.

Priorities for 2008/2009

In 2008/2009 the department plans to deliver on the following projects:

- Construction of a recycling plant.
- Collection of raw materials from all towns to Robertson compost plant.
- Upgrading of sports facilities.
- Establishment of a Sports and Recreation Council.
- Implementation of a cleaning programme, utilising contractors.
- Winning the cleanest town competition.



Chief Financial Management

Income-Salaries-Creditors

The department is comprised of the following sections; income, salaries, and creditors, against which the performance of the 2007/2008 financial year is reported:

Income (Services, Rates & Credit Control)

This unit ensures that correct and accurate accounts for municipal services (elect, water, sewage & refuse and property tax) are delivered and payment is collected against billing. Moreover the unit implements rigorous credit control procedures on accounts in arrears and identifies indigents.

Salaries

The unit runs the payroll and provides operational support while maintaining a well run and efficient pay office to ensure timeous payment of salaries to councillors and Council employees.

Creditors

Issuing of orders, paying creditors, and budget control are the primary responsibilities of this department.

Performance 2007/2008

The department has seen successes in the following:

Income

- Timeous monthly electricity and water meter readings are taken, and levying of accounts is around the 15th of each month.
- Meter readings are undertaken between 10th and 25th, they are, however, not always finished on time in Montagu/Zolani where the work is undertaken by a contract meter reader.
- There are ±184 pre-paid water meters, ±11,930 pre-paid electricity meters, approximately 12,500 water meters, and 4,500 electricity meters that were read on a monthly basis during 2007/2008 financial year.
- Accounts offices in the municipal area received about 12 account queries on accuracy and correctness of service accounts.
- There are 5 municipal pay points and 12 paypoints at local businesses for an after hours service for pre-paid electricity and payment of accounts.
- Approximately 80,000 – 100,000 receipts are issued monthly by all paypoints.
- Debit raising is performed on the 15th and accounts are mailed within 6 days of debit raising.

Rates

- As from 1st July 2007, (2007/2008 financial year), a new General Valuation was introduced and implemented in terms of the Municipal Property Rates Act No 6 of 2004 Properties 2004.
- This involved the revaluation of approximately 2,376 rural, and 13,284 urban, properties in the Breede River Winelands Municipality.
- The valuation of (R5,269,223,590) resulted in (R33,285,230) rates being levied. Rebates, according to rates policy, were R19,493,197.
- Approximately 1,000 rates clearance certificates are issued annually.
- 12,880 annual accounts levied at about 15th July each year for payment either annually or monthly.

Credit Control

- Responsible for credit control measurements on outstanding accounts and identifying indigents.
- Through the debt management policy the municipality improved the recovery rate to 95%.
- Indigent households were identified and are at approximately 4,713 (3852 with income \leq R840.00).
- Outstanding amounts owed by indigents were written off.
- The municipality has a 40% rebate policy on property tax for pensioners (60 years and over) with an income of \leq R2500 per month.

Creditors

- To ensure efficiency, all municipal creditors are paid within 1 month either by cheque or bank transfer.
- The unit receives and processes requisitions and issues \pm 500 orders per month.
- Approximately 450-550 cheque payments, and 120-160 electronic transfers, are processed monthly.

Salaries

- Salaries of \pm 650 employees are transferred electronically to bank accounts of personnel and councillors on a monthly basis.
- The unit performs bank transfers for third party payments.

Key Projects

During 2007/2008 the municipality embarked on a pre-paid water meter installation project in all major towns. The project received massive objection and disapproval from communities in Montagu and has since been discontinued. The procurement of meter reading equipment was completed in April 2008.

Long term contracts

The following are major multi year contracts the municipality concluded during the 2007/08 financial year:

Contractor	Project	Project Value
D Payne Waardeerders	Valuation	R217 947.00
Metvalue	Transfer/verify valuations	R 47 860.00
Georeality	Credit Control	R 70 224.00
R-Data	Financial system	R316 381.00



Information and Communication Technology (ICT)

The Information and Communication Technology unit is responsible for the maintenance of all servers, computers, printers and communication networks for the Breede River Wine Lands Municipality

Performance 2007/2008

During 2007/2008 new printers and computers were sourced and networks were expanded.

Future plans and Priorities

The department will appoint a second technician to ensure that the hardware, software, and network are maintained promptly.

Supply Chain Management

The department is responsible for implementing the Council's Supply Chain Policy and compliance with section 11 of the Municipal Finance Management Act (MFMA).

Performance 2007/2008

- A number of initiatives were undertaken over the last financial year, including the acquisition of a Supply Chain Software Program.
- A service provider was appointed to train and capacitate SMME's and BEE's companies in the completion of Tender Documents and basic costing. A total of 76 people from all 5 towns attended the training.
- Over 50% of SMME's were utilised as a total of overall procurement.
- A SMME (local) and BEE database was developed and completed.

Future Plans and Priorities

Going forward, the department will establish the Supply Chain Unit and appoint appropriate personnel. The focus will be on effective handling of all supply chain processes for purchases up to a value of R200 000.

Municipal Manager's Office

Internal Audit

Breede River's Internal Audit department has been established in terms of sections 165 (i) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

The main purpose of the Internal Audit is inter alia:

- To ensure that risks are identified and managed properly.
- To ensure that correct and accurate financial, management, and operational control systems and procedures are in place to enable management to gain trustworthy information useful in decision-making processes.
- To evaluate the performance management system and performance reports.
- To control policies, regulations, and procedures in terms of prescribed guidelines and applicable laws.
- To ensure that high quality service delivery takes place by the economic and efficient utilisation of available resources.
- To implement the processes and procedures on an ongoing basis according to Council policy.

Performance 2007/2008

In promoting good corporate governance in the municipality, the department has achieved success in the following areas:

- In March 2008 the department developed a Financial Risk Analysis questionnaire to ascertain the level of financial risk in each directorate in the organisation.
- An internal audit plan for the 2008/2009 financial year was prepared with input from the financial risk analysis and the audit plan was approved by the municipal manager and the Audit Committee.
- Through this Audit Plan a range of areas in the municipality were investigated and four hundred and six internal memorandums were drafted covering a wide range of aspects due to be investigated in the 2008/2009 financial year.

Audit Committee

Breede River's Audit committee was established on the 1st August, 2006 and members were appointed for a period of 3 years in terms of Section 166 (1) of Act 56 of 2003 – Local Government: Municipal Finance Management Act, 2003.

The Audit Committee is responsible for the oversight of internal controls, financial reporting and compliance with regulatory matters. The committee should mainly make recommendations to management, including, the following:

- Review the effectiveness of the Council's system of internal control and risk management.
- Review the financial reporting.
- Review of the financial statements.
- Review the Internal Audit function.
- Review the Auditor General's report.
- Review the Council's compliance with legislation and regulation.
- Review the Compliance with the Council's Code of Conduct and ethics.
- Performance Management.

During 2007/2008 the committee had three members: Dr B van Rensburg (Chairman), Mr P Dreyer, and the third committee member position was vacant. The committee convened two meetings, on the 7th December 2007 and 9th May 2008. Attendance at the meetings was 6 and 5 respectively.



Integrated Development Plan and Performance Management

The primary responsibility of the department is to facilitate development and implementation of the Integrated Development Plan (IDP) and Performance Management (PM). The department has to ensure that the Integrated Development Plan (IDP), the Service Delivery Integrated Development Plan (SDBIP), and the budget, are well aligned and that all legislations and policies relevant to the above-mentioned instruments are complied with. In so doing, the department facilitates the expedient identification of community needs, which must be prioritised accordingly and incorporated into the IDP.

Performance 2007/2008

- The IDP and the SDBIP were completed within the statutory timeline.
- Section 57 Employment contracts were concluded within the prescribed deadline.
- Facilitated in prioritising community needs and incorporated them to the IDP and Budget.
- All Ward committee were involved in identifying community needs and projects.
- Communities were given feedback on the progress of their ward projects through the ward committee meetings.

Challenges facing the department:

- Insufficient capacity to facilitate community meetings.
- Lack of cooperation from other departments in providing information to ward committees.
- Absence of both the organisational and individual management systems within the municipality.

Local Economic Development (LED)

Manager: Special Projects

The department is responsible for developing, and implementing programmes and projects that promote economic development opportunities for all citizens in the Breede River Winelands Municipality. Against this backdrop, the department facilitates economic activities of the municipality with a primary focus on increasing trade and investment, Black Economic Empowerment (BEE), small businesses enterprises, entrepreneurship, youth participation, companies run by women and the physically challenged.

The department achieves economic development for the municipality through tourism, rural development, land reform, and other special projects. During 2007/2008, the department focused on the following priorities:

- To manage tourism development to ensure economic growth.
- To support programmes to address unemployment.
- To initiate skills development.
- To support rural development.
- To support land reform and food security projects.

Performance 2007/2008

The department succeeded in various projects during the financial year under review and some of these include:

- Supporting the Graham and Rhona Beck Skills Centre.
- Transformation of the tourism sector.
- Supporting of emerging businesses.
- Rural development and implementation of the Gelukshoop Farm project.

Special Projects for 2007/8

Project	Achievement	Status	Budget/ Econ Value	Spent / Income
A) The regeneration of Ashton Main Road	Partnership between Langeberg, Ashton Foods, and the municipality regarding the regeneration of Ashton Main Road.	Contractor appointed and jobs created for 9 people. Three-year contract.	R 324 000.00	R25 000.00 per month.
B) Graham and Rhona Beck Skills Centre	Strategic partnership with Graham and Rhona Beck Skills Centre.	Municipality assisted the centre by waiving of the bulk services levy and the rezoning and building plan costs.	R 311 392.59	R 311 392.59
C) Gelukshoop Farm	Obtained the farm Gelukshoop through the sale of Silverstrand to be allocated for small farmers.	Council to take final decision on allocating the farm to the Bonnievale Workers Empowerment Trust.	R 3 710 000.00	R 0.00
D) Heart of Route 62	The appointment of Heart of Route 62 to deliver the tourism function on behalf of the municipality.	The first year of Heart of Route 62 as service provider has been completed and needs to be evaluated.	R 1 020 000.00	R 1 020 000.00 transferred to Heart of Route 62.

Special Projects for 2007/8

E) Lairage in Zolani	The construction of a lairage for the keeping of livestock.	Completed	R 80 000.00	R 80 000.00
F) McGregor Vegetable Garden	Land was made available in the informal housing area to establish a vegetable garden.	The McGregor Small Scale Farmers received funding from Mawubuye Land Rights Forum and the municipality assisted with water connections.	R 10585.13	R 10 585.13
G) Tender Document Training	A Service Provider was appointed to provide training to SMME's and BEE's in the completion of tender documents and basic costing.	76 people from all 5 towns attended the training, which was given by SMME solutions.	R 26 750.00	R 26 750.00
H) Apostolic Faith Mission Church Seedling Nursery	The funding of the church to construct a seedling nursery.	Nursery constructed using local labour.	R 30 000.00	R 30 000.00
I) Twice as Nice	Support provided to community catering project.	Glasses and pots purchased to assist the project.	R 3 973.58	R3 973.58

Special Projects for 2007/8

J) Route 62 Patches	Support provided to community fabric painting project.	The purchase of material, fabric paint, cotton and brushes.	R 4 258.20	R4 258.20
K) Vegetable gardens	10 Vegetable gardens were established at: Prospect, Wardia, Takkap, Amandalia, Vinefera, Voorspoed, Noree, Kruispad, Bonnievale Cellar and Merwespont.	Gardens implemented and functioning to supplement workers income and provide nutritious food to families.	R 30 000.00	R 27 721.84
L) Substance Abuse Programmes	6 Information sessions and 1 training session were presented by Toevlug Rehabilitation Centre.	480 Farm Workers from the Ashton, Robertson and McGregor areas attended these sessions. 20 farm workers attended the training session.	R 5 000.00	R 3 420.00
M) ABET	35 farm workers from the Uitnood area attended ABET classes.	Training funded and done by the Department: Education. Municipality assisted with providing students with stationery.	R 2 000.00	R 980.00

Special Projects for 2007/8

N) Early Childhood Development	14 Creches in the rural area received educational equipment and crèche manual.	The Rural Development Association has also appointed and funded an Early Childhood Development Assistant who visits and assists all rural crèches on a monthly basis.	R 10 000.00	R 5 442.50
O) Recycling Cages at the Ashton landfill site	A number of individuals from Zolani collect recyclable items from the refuse site.	Cages were erected for them to safely store the recyclables until collected.	R 25 000.00	R 20 572.42
P) Playpark / Vegetable garden - Ashton	The municipality, as a result of a community initiative, provided a piece of land and a water connection to develop this land.	The project has been implemented and the Department of Social Services have been requested to render Drug and Alcohol Abuse Programmes.	R 2 500.00	R2 500.00
Q) Compilation of an LED Strategy	The completion of the Local Economic Development Strategy for the Breede River / Winelands Municipality by the consultants NB Ideas.	LED Strategy completed and approved by Council.	R 228 000.00	R 90 972.00



Challenges

Notwithstanding the successes the department achieved, there were some challenges during 2007/2008 including:

- The inability to transform tourism to be inclusive of all communities and meet Councils objectives.
- The unavailability of suitable municipal agricultural land to support land reform.
- No comprehensive land audit of municipal property.
- No land reform forum to guide land reform.

Priorities for 2007/08

Next financial year the department will focus on:

- To establish a Land Reform Forum inclusive of all roll players.
- Finally transfer Gelukshoop farm to the Bonnievale Workers Empowerment Trust.
- Continue to allocate municipal land for vegetable gardens.
- To finally achieve a totally transformed tourism sector.

Expanded public works programme (EPWP)

The EPWP is one of Breede River Winelands Municipality's initiatives to bridge the gap between the growing Winelands economy, and the large number of unskilled and unemployed people who have yet to fully enjoy the benefits of economic development in the area.

In the municipality, the programme had a target of providing employment opportunities and training through labour-intensive Municipal Infrastructure Grant and Breeder River funded infrastructure projects.

Performance 2007/2008

- Breede River had 7 medium to large scale infrastructure and labour-intensive projects to clean streets, upgrade municipal roads, municipal pipelines and stormwater systems.
- During 2007/2008 there has been an increase in the number of jobs created through the EPWP with a total of 369 jobs being created for previously unemployed individuals and indigents.
- In addition, 14 community members received a non-accredited training.



Table: Expanded Public Works Programme:

Project	Project Description	Number of Jobs Created	Youth Employed	Women Employed	Disabled Employed
Olienstreet 27Housing project	Construction of low cost housing units.	33	22	2	0
Tarring of Lang Street McGregor	Resurfacing of existing street.	19	13	11	0
Upgrading Stormwater	River bank protection with gabions.	27	16	1	0
Tarring of Street Bonnievale	Resurfacing of existing streets.	13	7	3	0
Upgrading Stormwater	Trenches and pipes for stormwater in Roberstson Montagu and Ashton.	50	40	6	0
Construction of Roads	Construction of low volume roads in all towns.	31	2	2	0
Clean-up project	Clean up programme for all towns.	196	137	107	125
	Total:	369	237	132	125

Municipal Infrastructure Grant Unit (MIG)

The Municipal Infrastructure Grant is a conditional grant from the Department of Local Government and Housing (DPLG&H) to local government. It is designed to supplement municipal capital budgets for the provision of basic infrastructure to the poor. In the past 10 years, the municipality has experienced a steady increase in population growth resulting in an escalated demand for basic services such as water delivery and sewerage purification. The Breede River Winelands Municipality has a business unit called Programme Management Unit (PMU) and its responsibility is to identify infrastructure projects that qualify for inclusion to the location. Moreover, the PMU registers the projects, coordinates the programme, and integrates them into municipality priorities, while monitoring and reporting on their progress.

The Breede River Winelands Municipality was first to be allocated the MIG grant of R 3 550 642.97 by the National Treasury during the 2005/2006 financial year. The allocation increased to R 4 223 143.50 during 2006/2007 financial year.

During 2007/2008, the MIG grant formed a substantial portion of Breede River's capital budget of R 47 440 857.00. The full allocation of R 4 401 851.39 was spent on various projects in the first month of grant receipt. This is an achievement, as Breede River is believed to be the first municipality to spend all its allocated funds in the first month of a financial year.

Budget activity	2005/06	2006/07	2007/08
Approved budget amount	R 3 550 642.97	R 4 223 143.50	R 4 401 851.39
Spent budget amount	R 3 550 642.97	R 4 223 143.50	R 4 401 851.39
Variance	R 0.00	R 0.00	R 0.00

The projects undertaken by the municipality were all high priority projects, labour-intensive, and facilitated local economic development through job creation. They made use of the services of local SMME's and BEE compliant companies thereby aiding in slowly transforming the municipality.

These are projects funded through MIG grant:

- Upgrading Sewerage Treatment Works in Robertson.
- Montagu Bulk Water Supply: Phase 2 &3.
- Upgrading Sewerage Treatment Works in Bonnievale.

No MIG funds were rolled over to any financial year.



Customer Care and Ward Committee

The department is responsible for managing and co-ordinating Ward Committees, Client Services, and Community Development Workers (CDW's) within the Breede River Winelands Municipality, to strengthen participatory governance and customer service.

The functions of the department are as follows:

- To render a managerial support service to the Office of the Speaker.
- To render an enquiry and complaint service to the community of the Breede River Winelands Municipality.
- To manage and effectuate an effective Ward Committee system.
- To assist in smooth service delivery and enhance public participation activities by the CDW's.

Priorities for 2007/2008 financial year were to establish and ensure proper functioning of Ward Committees, and to establish and ensure that proper systems are in place to enhance public participation.

Performance 2007/2008

Strengthen Ward Based planning:

The ward based planning is at the center of the Breede River Municipality's participatory planning processes.

- Through this process, all 10 wards in the municipality were requested to submit their proposals for projects within the capital budget threshold of fifty thousand (R50 000).
- A special meeting was held between the Director of Strategic Programmes, the Ward Councillors, the Client Services Manager, and Ward Committees to prioritise these projects and to obtain relevant inputs.
- Council approved all projects and they were included and funded in the 2007/2008 Operating Budget.
- Breede River's effective ward based planning has received recognition from national and provincial governments as well as neighbouring municipalities.



The prioritised and completed projects during the 2007/2008 financial year are as follows:

WARD	PROJECT	BUDGET
1	Upgrading of park	R50 000
2	Fencing of pavilion	R52 000
3	Upgrading of park in Dorpsig	R46 451
4	Paving of sidewalk at New Cross Street, Bonnievale	R50 000
5	Taxi rank c/o Long - and Barry Street, Voortrekker Street and play park equipment	R43 470
6	Taxi rank in Muskadellaan at Mandela Square and taxi rank in Skerpioenbult	R49 970
7	Upgrading of sport grounds (B-Field)	R 47 620
8	Green projects	R50 000
9	Upgrading of park and entrance to Cogmanskloof	R 49 998.00
10	Fencing of braai area and building of additional braai areas	R 46 370.00

The Department of Local Government and Housing, together with its partner the German Agency for Technical Cooperation (GTZ), has used the current practices and experience gained by the Breede River Municipality as a case study/model for other municipalities attempting to put together a national public participation framework.

The Cape Winelands District Municipality will also use Breede River's case study as a support model to other local municipalities.

24 Hour Fire Facility:

- For the first time ever, the Breede River Municipality has established a new 24 hour Fire Facility to respond to fire emergencies across the entire Breede River Winelands Municipal area. The facility was officially opened on 30th November 2007.

Customer Service:

- During the 2007/2008 financial year, the municipality established a Customer Service Charter as a commitment to excellent service delivery.
- The development of the charter was augmented by the establishment of a 24 hour high-tech Customer Care center opened on 7th January 2008.
- In support of Batho Pele principles, the municipality now has a fully functional and effective 24 hour, seven days a week, call-answering facility in case of emergencies, as well as addressing customer queries regarding municipal services.
- The call center number **0860 881 111** connects community members to a trained call center operator who redirects the caller to the appropriate department and/or assists them with a query or complaint.
- The relevant department/directorate is informed immediately and attends to the query expediently. Members of the public can request a customer complaint number so as to be able to follow up on the progress.



Client Satisfaction Survey:

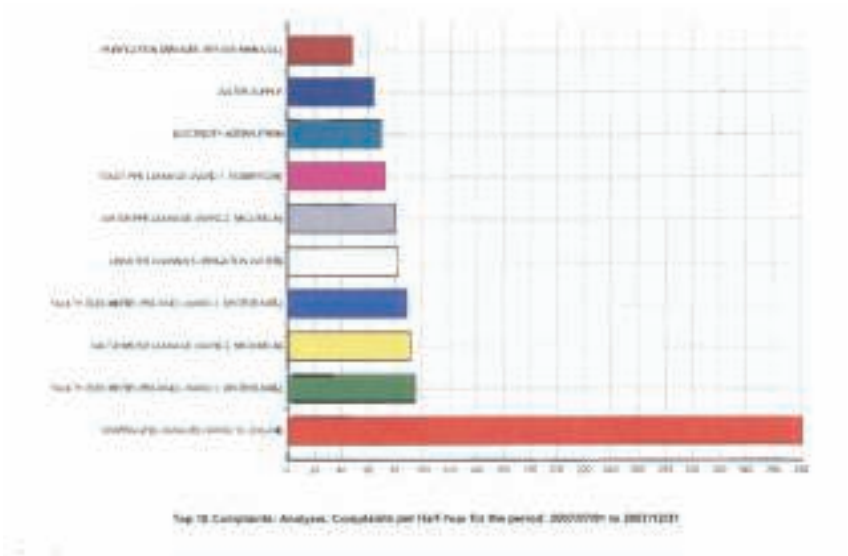
To demonstrate the municipality's commitment to service excellence and quality service delivery:

- The client satisfaction survey was conducted in 2007 and the municipality received comprehensive feedback from customers about the quality and standards of the services rendered.
- The preliminary results of the survey indicate that most of the clients are satisfied with services received from the municipality. Some of the **preliminary** overall results indicate that:
 - 85% of clients are of the opinion that the reception areas in the municipality are clean, neat, and tidy.
 - 6% of clients are of the opinion that the reception areas are not clean, neat, or tidy.
 - 78% of clients are of the opinion that the staff are knowledgeable and competent.
 - 10% of clients are of the opinion that the staff are not knowledgeable and competent.
 - 83% of clients are of the opinion that they were treated with courtesy and respect.
 - 7% of clients are of the opinion that they were not treated with courtesy and respect.
 - 76% of clients are satisfied with the overall services of the municipality
 - 9% of clients are not satisfied with the overall services of the municipality.
- Over and above the annual survey, the customer care department conducted ongoing monthly surveys from which it draws a list of the top ten complaints by department, ward, and by town.

Below is a brief summary of the total number of completed and uncompleted complaints.

Month	Completed	Not Concluded	GRAND TOTAL
July 2007	625	62	687
August 2007	502	57	559
September 2007	381	66	447
October 2007	488	65	553
November 2007	419	89	508
December 2007	253	58	311
January 2008	437	164	601
February 2008	419	131	550
March 2008	303	95	398
April 2008	361	145	506
May 2008	304	182	486
June 2008	305	206	511
TOTAL	4 797	1 320	6 117

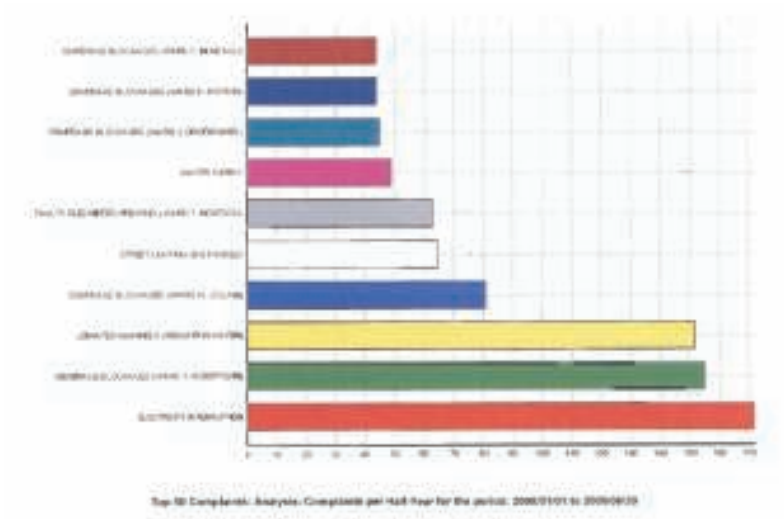
Graph 1: Top 10 Complaints: Analysis - Complaints per half year for the period:
1st July 2007 to 31st December 2007





Graph 1: Top 10 Complaints: Analysis - Complaints per half year for the period:

1st July 2007 to 31st December 2007



Community Consultative Process and Community Development Workers:

- A comprehensive public participation policy was developed and adopted by the municipality to ensure that all its decisions are informed by stakeholder input.
- The Breede River Municipality has embraced the use of effective CDW's to strengthen participative democracy in the municipality.

These are some of the key performance areas for CDW's:

- Community profile to be compiled for the Breede River Municipality.
- Assistance to Ward Committee activities.
- Assistance at community meetings.
- Assistance to Ward Committee elections.
- Assistance at Ward Based Planning.
- Communicate municipal and government projects in communities.
- Co-ordinate teams of volunteers for community projects.
- Assistance for communities to develop and submit proposals for inclusion in the IDP and other government plans.
- Co-ordinate inter-governmental and inter-departmental programmes.
- Maintain communication with Community Based Organisations (CBO's).
- Inform communities of problems with service delivery.
- Assistance with the implementation of community projects.
- Monitoring and reporting back on community projects.
- Act as resourceful and dedicated public servants.

Challenges:

One of the key challenges facing the effectiveness of CDW's is under qualification.

- Ward Committee training and empowerment is essential.
- Breede River has succeeded in running and keeping Ward Committees active in contributing to effective governance of the Council.
- The municipality developed a Ward Committee election model based on sectoral groupings. During 2007/2008 Ward 5 and 10 Ward Committees disband as a result of non-functionality. This situation was rectified during the re-election process of ward committees.
- Each ward committee held no less than ten committee meetings and written minutes were submitted (see table below).
- Ward Committees are elected for a term of two years. The said term expired in March 2008. From April 2008 till 30th June 2008 the Breede River Winelands Municipality embarked on a re-election process of all ten Ward Committees and, currently, all ten wards are functional with newly elected members approved by Council.



Training attended by Ward committees:

Ward Committee members were trained and capacitated on the following:

- Meeting procedures.
- Compilation of agendas and minutes.
- Ward Based Planning.

Tourism

In 2006, the Western Cape tourism sector contributed 9.8% to the regional GDP and more than 150,000 people, approximately 10% of the labour market, are employed in the tourism sector in the Western Cape. In the same year, the province received R19.8b in Total Foreign Direct Spend representing a 17.2% growth from R16.9b in the previous year (2005).

Tourism plays a crucial role in the economic development of the Breede River Winelands Municipality. In recognition of this, additional efforts are being made by the municipality to further develop the local economy through tourism. Tourism as a sector has the potential to create social cohesion by adding to the development of vibrant social spaces within the municipality and promoting local participation in the environmental economy.

Performance 2007/2008

To bolster tourism efforts within the municipality, so as to gain maximum returns, which will in turn benefit communities of the Breede River Winelands Municipality, the following steps were undertaken:

- The municipality outsourced the tourism function and Heart of Route 62, which was appointed by Council to perform this function.
- A total of R1 020 000.00 was allocated and transferred to Heart of Route 62, for the purpose of transforming and growing the economy through tourism in the municipality.
- Prior to the appointment of Heart of Route 62, a new constitution was compiled with all relevant tourism stakeholders to expedite the transformation in tourism.

The main functions of Heart of Route 62 are namely:

- Tourism transformation.
- Tourism development.
- Tourism marketing.

Heart of Route 62, as the overarching Local Tourism Organization (LTO), was also responsible for the effective functioning of the Local Tourism Associations (LTA) representing tourism in each town. These included:

- Bonnievale Tourism Association.
- McGregor Tourims Association.
- Montagu / Ashton Tourism Association.
- Robertson Tourism Association.

In 2008, Cape Town Routes Unlimited (CTRU) also accredited Heart of Route 62.

An Executive Committee consisting of manages heart of Route 62;

- 2 business members from each LTA.
- 2 representatives from Robertson Wine Valley.
- 1 emerging business member from each LTA.
- 1 municipal councillor.
- 1 municipal official.

A Day Management Committee was also established to attend to the day-to-day management functions of Heart of Route 62 and includes the following:

- Chairman of the Executive Committee.
- 1 representative from Robertson Wine Valley.
- 1 representative from each LTA.
- 1 municipal representative.

